

SEPTEMBER 28, 1953

Questions & Answers . . . p. 24

RAILWAY AGE

NEWS
ISSUE

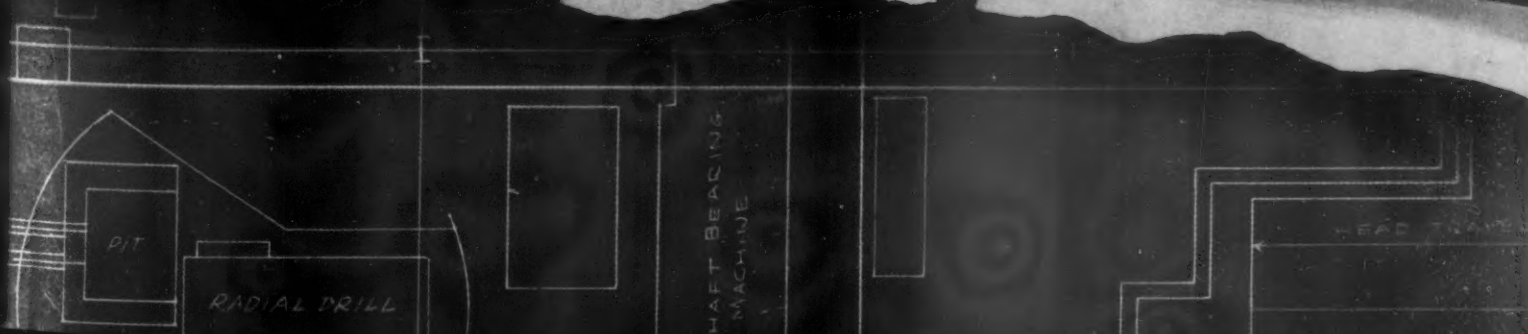
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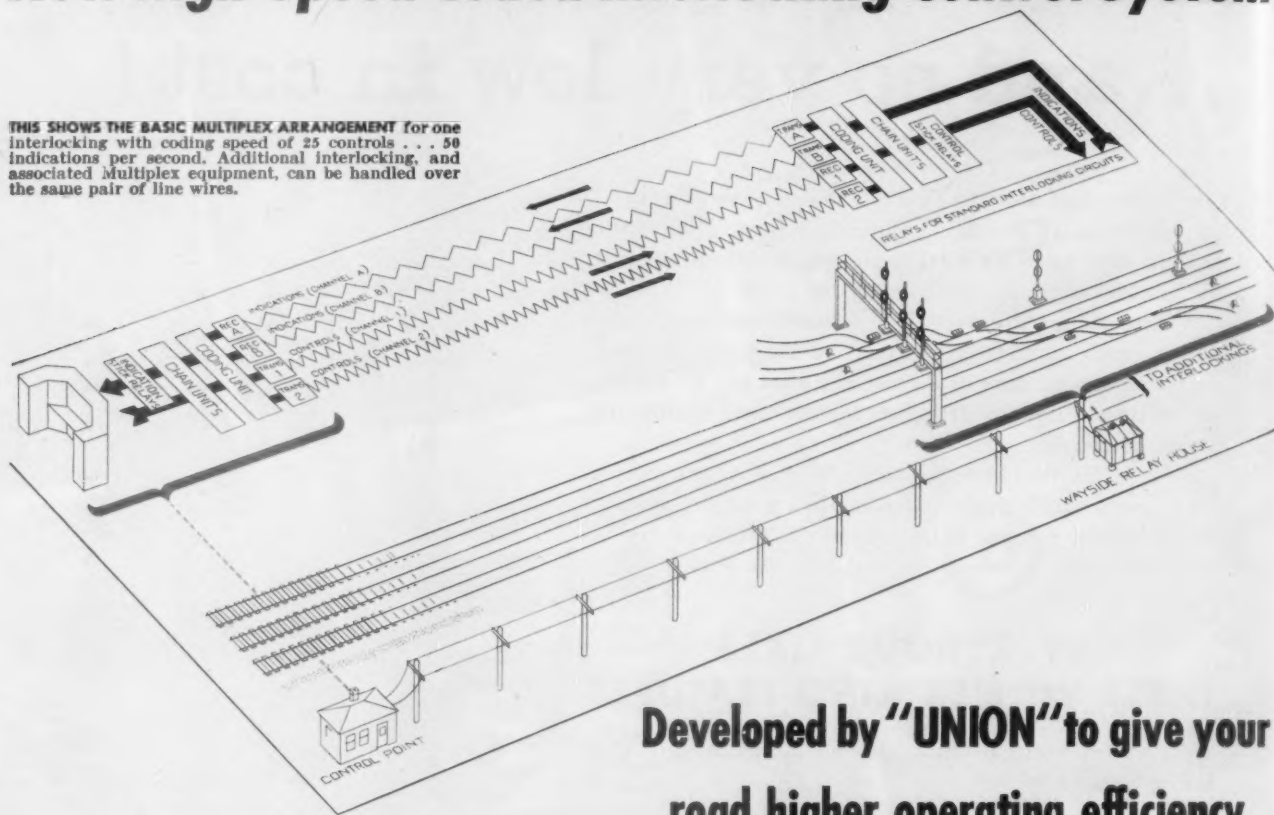


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Sept. 28, 1953 NEWS ISSUE Vol. 135, No. 13

Week at a Glance

The per diem dispute is now before the I.C.C., with 19 railroads petitioning for enforcement of the \$2.40 rate, against eight roads which claim that rate is too high. 11

Better salesmanship of passenger service is expected to result from a manual developed by the Southern Pacific. And, according to the Trans-Missouri-Kansas Shippers Board, there is need for better salesmanship also on l.c.l. freight. 18 and 35

For *Railway Age* subscribers: A contest for the best essay on the relation of the accounting department to other branches of railroading. 25

"Modern, aggressive pioneers" with "determination to maintain a dominant position in the transportation field," are still needed in the railroad industry, Detroit & Mackinac President Charles A. Pinkerton, Jr., told the A.A.R. Treasury Division at its annual meeting. 28

FORUM: One member of the Interstate Commerce Commission has stated some interesting observations on value of service rates. 23

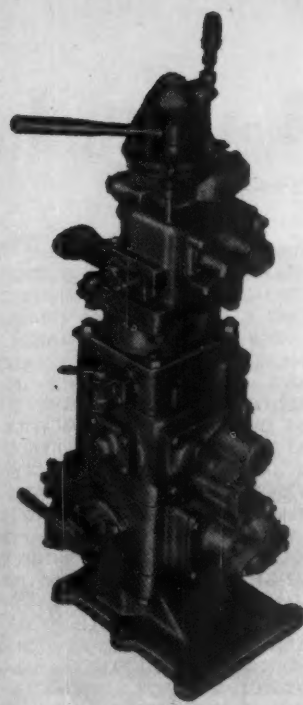
BRIEFS

A higher floor may be built under air freight rates. Tip-off on this bit of C.A.B. carpentry came last week when the board asked freight flyers to show cause why minimum rates should not be upped 25 per cent by October 1 to cover increased costs.

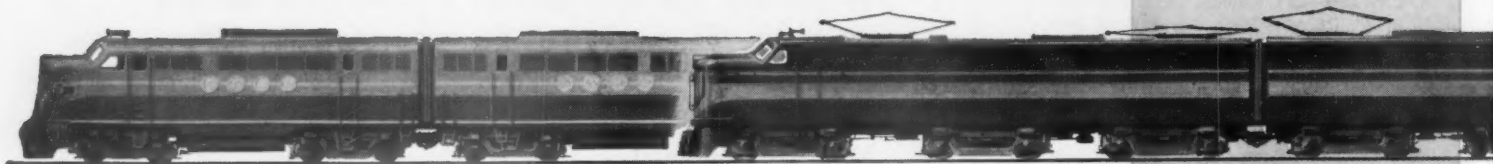
"Careful Car Handling Month" is October. As a part of its continuing efforts to reduce freight loss and damage, the National Freight Loss & Damage Prevention Committee has selected this month to concentrate on the necessity of handling cars carefully. Individual

24-RL

This brake
can be
used for



diesel-electric or electric locomotives.

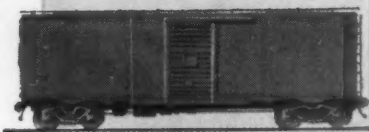


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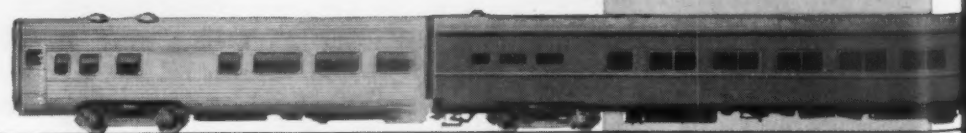
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Current Statistics

Operating revenues, seven months	
1953	\$ 6,253,137,382
1952	5,911,265,980
Operating expenses, seven months	
1953	\$ 4,724,251,168
1952	4,634,987,983
Taxes, seven months	
1953	\$ 749,886,845
1952	671,321,739
Net railway operating income, seven months	
1953	\$ 643,257,679
1952	503,724,404
Net income, estimated, seven months	
1953	\$ 490,000,000
1952	348,000,000
Average price railroad stocks	
September 22, 1953	58.07
September 23, 1952	63.62
Carloadings revenue freight	
Thirty-seven weeks, 1953	27,424,446
Thirty-seven weeks, 1952	26,282,235
Average daily freight car surplus	
September 19, 1953	9,741
September 20, 1952	5,096
Average daily freight car shortage	
September 19, 1953	3,557
September 20, 1952	14,968
Freight cars delivered	
August 1953	5,557
August 1952	4,537
Freight cars on order	
September 1, 1953	45,735
September 1, 1952	95,761
Freight cars held for repairs	
September 1, 1953	97,013
September 1, 1952	108,222
Average number of railroad employees	
Mid-July, 1953	1,238,811
Mid-July, 1952	1,183,454

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Week at a Glance CONTINUED

railroads are expected to use a wide range of methods to bring the importance of careful car handling before all operating employees.

A six-year, \$30-million rehabilitation program for the Long Island has been suggested by the controlling Pennsylvania—contingent, however, on I.C.C. approval of essential fare and service provisions in the reorganization plan proposed by the PRR for the LI. The program would include \$12 million for 112 new passenger coaches and \$18 million for renovation of existing coaches and other passenger facilities.

Delays from break-in-twins average seven train-hours, including both the separated train and other trains affected, according to a study by a large western road.

To reduce slid-flat wheels on switchers when braking a long cut of cars, one road ballasts steam locomotive tenders to 173,000 lb., and couples one, with its brake system, to a diesel switcher to increase braking traction.

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PANELISTS ALL . . .



ON CARRIERS' ROLE: (Left to right) R. E. S. Deichler, vice-president—sales, American Airlines; P. A. Hollar, vice-president, A.A.R.; R. J. McBride, director, Common Carrier Council, American Trucking Association; A. P. Heiner, general traffic

manager, Kaiser Steel Corp. (moderator); G. C. Locke, executive secretary, Committee of Pipe Line Cos.; R. C. Colton, vice-president, Lykes Brothers Steamship Co.; C. J. Goodyear, traffic manager, Philadelphia & Reading Coal & Iron Co. (presiding).



ON SHIPPERS' ROLE: (L. to r.) Russell White, traffic manager, Aetna Plywood & Veneer Co.; R. C. Waehner, general distribution manager, Lever Brothers Company; J. K. Knudson, Defense Transportation Administrator and member of I.C.C. (moderator);

H. T. Reed, director of transportation, Line Materials Co.; G. L. Wilson, Jr., assistant traffic manager, Rohm & Haas, Inc.; E. G. Plowman, vice-president, United States Steel Corp.; E. B. Smith, vice-president, General Mills, Inc. (presiding).



ON GOVERNMENT'S ROLE: (L. to r.) Dr. G. P. Baker, professor of transportation, Harvard University; J. C. Allen, assistant postmaster general; B. N. Behling, senior specialist in transportation, Legislative Reference Service, Library of Congress (moderator); Hugh W. Cross, mem-

ber of I.C.C.; Dr. C. L. Dearing, deputy under secretary of commerce for transportation; H. M. Hammond, manager, Transportation & Communications Department, C. of C. of U.S.; F. A. Doebber, director, Coal & Transportation Dept., Citizens Gas & Coke Utility, Indianapolis (presiding).

an airing by Dr. Sidney L. Miller, professor of transportation at the University of Pittsburgh. (Addresses by Clifford Hood, president of the United States Steel Corporation, and Robert R. Murray, undersecretary of commerce, were summarized in last week's issue, page 11.)

Each panel had a full half-day session in which to get over ground which its moderator staked out in advance. Theme for the whole seminar was "America's Transportation Tomorrow," which, as Society President Robert J. Bayer, editor of Traffic World, put it, "is going to demand a new kind of traffic man—one who has rendered his business as orderly and as scientific as has the engineer in his field."

Panel on Government—Subsidies, the Interstate Commerce Commission, Post Office policies, and special concessions for government traffic under Section 22 turned out to be the topics of most extensive discussion by the panel on government (identified, as are other panels, under group photographs reproduced herewith).

On Regulation, there was fair agreement that it continues to be necessary, but that important changes are in order. I. C. Commissioner Cross based his observations on the belief that "today, reasonable regulation is an integral part of our free enterprise system," but warned, "There is always danger that regulators, without financial responsibility, may be tempted to substitute their judgment for that of actual management." He urged also that the work of regulators "be made intelligible to those who are regulated." He opposed the idea of giving to the I.C.C. final review of the necessity for new river and harbor projects, while Dr. Dearing declared, "Six months ago [before he joined the department] I'd have said the Department of Commerce should do it; now I think the I.C.C. should." Mr. Hammond asserted that such review should be a responsibility of the I.C.C. and that the U.S. Chamber of Commerce has already approved that authority.

Dr. Baker reviewed the legislative program of the Transportation Association of America; he found it significant that none of the interests represented favored doing away with I.C.C. control over either maximum or minimum rates. Because he is serving as moderator of the T.A.A.'s National Cooperative Project, Dr. Baker refrained from expressing opinions on issues not yet resolved by it.

Service Abandonments—Commissioner Cross opposed adding to the I.C.C.'s authority jurisdiction over cases involving abandonment of intrastate service, on grounds that, within the past year or so, state regulatory commissions are "beginning to face up to realities," and that "sovereignty of

Transport's Future on Three Fronts

Shipper, government and carrier panels at American Society seminar get into vital, controversial questions

Little that is important to transportation men was left undiscussed by at least one of the panels which constituted the main feature of the Ameri-

can Society of Traffic & Transportation's second national seminar, held in Pittsburgh September 10-11. Special problems of railroads also came in for

the states should be respected as much as possible." Mr. Allen expects the Post Office will tend to stay out of passenger service curtailment cases. In the past it was the practice to "inject" the department into hearings, "when, as a matter of fact, mail service would have been improved and costs lowered by use of other means of transportation." He complained that he still gets letters from traffic friends asking the department to help local communities fight curtailments. Mr. Hammond opined that the U.S. C. of C. has not performed an adequate job in educating local chambers of commerce "to cultivate a businesslike attitude toward a subject fraught more with emotion than fact."

Although it was not scheduled, Section 22 came in for a vigorous airing. One panel member called for its discontinuance; Commissioner Cross defended the section as a means by which carriers may deal "patriotically" with government during wartime, but vigorously denounced government demands for reparations after the last war, "which, if granted, would have bankrupted every railroad in the United States." He had no answer to the question of whether common carriers should bear greater sacrifices during wartime than other businesses, and believed it is for Congress to decide whether the war effort would be prejudiced if the government were made to pay the same transportation rates as its citizens. He opined that the ending of Section 22 would increase, rather than diminish, grounds for government complaints and litigation.

On Subsidies, the field was left largely to Dr. Dearing, who declared that the Department of Commerce expects to set up "standards of fair play" along these lines:

- (1) No federal operation of transportation enterprises (e.g., sale of federally owned barge lines);
- (2) Use of federal funds for promotion only if it is determined that expansion is

essential and that private capital cannot provide it;

(3) Withdrawal of aid as soon as economic maturity of aided enterprise is reached; and

(4) Review of federal activities and withdrawal when no longer necessary.

He declared that "the role of transportation promotion has clearly become over-extended in some areas and that there continue 'head-on conflicts' in policies and activities of individual government bodies. Asked whether he could see a time in the future when it would not be necessary to subsidize any form of transportation, Dr. Dearing responded, 'yes, as long as you make a distinction between domestic and international operation.'" Dr. Baker added the observation that the most difficult job in getting agreement on government aids "is to find out what is subsidy and what is not."

On Government Dealings with transportation, Mr. Hammond suggested that federal agencies "get together on a non-emergency basis" to compare policies and views. He deplored intervention of government agencies in rate cases, declaring that the law allows participation but does not require them to go as far as they do. "The taxpayers don't pay their servants to get into other peoples' business; why then, should 11 lawyers from Agriculture parade before the I.C.C. in one rate case?" He urged discontinuance of obsolete agencies. The locomotive inspection service of the I.C.C., he said, costs about three-quarters of a million dollars a year, yet, with today's modern power and dieselization, few defects are found. "Perhaps this bureau is a has-been; perhaps, what inspection is still needed could safely be left to the railroads themselves."

The Post Office, Mr. Allen declared, "is basically a service institution, but should be operated on sound business principles"; He hopes that ultimately it can be operated at close to a profit. "An operation that is operat-

ing at a deficit of \$2 million a day, and rendering a service—that's not right."

The new assistant postmaster general admitted that competition between parcel post and the Railway Express Agency is a difficult problem, and added, "I don't know how much longer we can afford to go on with two separate small package carriers." At the same time, he believes that size and weight limitations on parcel post packages definitely skim the "cream" of parcel post traffic for the benefit of express; The net effect he said, is to increase the Post Office deficit. He added that, if REA was compelled to give service to all areas the Post Office serves, it could properly take over much of the latter. But REA is tied largely to railroad passenger train service, which is shrinking.

Regarding his department's decision to route some firstclass mail by air, Mr. Allen asserted that such consideration was started before the railroads petitioned for a 45-percent increase in mail pay. An important factor in the decision is that, in the past, the Post Office has never taken into proper account its own terminal handling costs; figures point to the fact that it may be cheaper to sort mail on the ground and move it in a fast-moving storage vehicle than to sort enroute in railway postal cars.

Shippers' Panel—Incentives for shippers to use carriers efficiently, a higher stature for traffic managers, and certain unexplored aspects of traffic management were among topics treated by the panel of shippers, whose discussions were described by Moderator Knudson as "a solid, meaty way of crystallizing our ideas."

Instead of exacting penalties for poor utilization of equipment, carriers ought to provide incentives in the way of rate concessions, declared Mr. Reed. He envisaged such incentives as applying not only to heavier car loading, but to palletization, superior packaging, prompt loading and unloading, and mixture of shipments to build up loads. He believes the encouragement of rail traffic and saving in rail equipment thus obtained would give the road a net saving.

Greater statesmanship among industrial traffic managers was urged by Mr. Waehner. "It is time we stopped seeking rate cuts which gnaw away at the health of the transportation plant. If we permit competition to degenerate to the point where any particular form of transportation is endangered, we will ultimately have to pay the economic price . . . We often magnify the effect of rate increases on our businesses." This panel member urged traffic managers to consider rates only in relation to other costs, asserting that the cheapest freight rate may be the most expensive, in the long run, because of higher terminal costs or disgruntled customers.

Wider responsibilities for his colleagues were urged by Mr. White, who claimed "it is the duty of the traffic



NEW RAILS TO NEW TOWN. New Town, N.D., a brand new town formed by the combination of Sanish and Van Hook, both to be inundated by

back-up water from Garrison dam, is reached by a new line of the Soo. The first train over the new 13.6-mile line entered New Town September 22.

manager to *manage* traffic." He asserted that, in plant location, for example, "frequently we come on the scene after the plant is established." He emphasized the importance of handling passenger traffic for one's firm. Although it is often considered a "nuisance," it is an activity which builds friends in the company and an understanding of the value of the traffic manager. He thanked "certain railroads" for telling the public what the industrial traffic manager does and who he is.

Greater stature for traffic men also was sought by Mr. Waehner, who would add to their responsibilities such duties as product packaging, intraplant movement and distribution policies. "I would like to see the traffic manager of the future responsible for all activity which adds to the cost of a product but not to its basic value." He warned traffic men that they impede their chances for recognition "by surrounding their activities with terms mysterious to the public and their own managements."

Mr. Plowman, who "wrapped up" the panel's work with a deft summary, emphasized the need for more fundamental research in the traffic manager's orbit. He admitted that too few traffic men have enough accounting and statistical training to analyze their own operation, but insisted that "'methods engineering' is a field we're going to have to get into—and deeply."

Mr. Wilson pointed to a clear trend toward relaxation of transport regulation; he expressed the hope that freedom "doesn't degenerate into jungle warfare." Regarding recent activity in Congress, Mr. Wilson deemed it "short-sighted" to deny the I.C.C. the right to regulate truck trip-leasing. On this subject, Commissioner Knudson added that the primary interest of the I.C.C. is in safety violations, which are serious among exempt carriers. It is also concerned because "exempt areas of transport have become so large that they may swallow up the regulated carriers."

Carriers' Panel—Moderator Heiner asked representatives of each form of transport—rail, air, water, highway and pipe line—to describe developments in their respective industry under "Progress with People," "Progress with Plant" and "Progress with Principals."

On Personnel Relations, Mr. McBride said that, for the first time in history, the head of the teamsters' union will take part in the annual convention of the American Trucking Associations. Queried on air line employees, Mr. Deichler denied that the industry any longer capitalizes on its "glamour" and insisted that employees are accorded wages and working conditions at least comparable to other industries.

As to Trailers-on-Flats, Mr. Hollar (railroads) asserted that, while the physical problem is not difficult, exploration of economic aspects will take time, before the public can expect widespread offering of "piggyback" service. Mr. Hollar added he believes

"it is bound to come." Mr. McBride asserted that "wherever railroads have made the service available, we are using it. I assume this will be the case if the service is expanded. But we can't force it."

Specialized Equipment—Asked by Moderator Heiner whether railroads are aggressive in furnishing equipment custom-tailored to individual shippers' needs, "or are they just going as slowly as possible, yielding only to pressure," Mr. Hollar replied that railroads are going about as far as they can, in view of the fact that specialized equipment runs up empty mileage and is less useful to the average shipper.

Jet-propelled trucks are now being experimented with on the Pacific Coast, according to Mr. McBride, who said a 240-lb. propulsion plant replaces a 3,000-lb. diesel engine. "You know how we'd love to transfer that weight to take care of your first-class freight." On specialized equipment, he declared the truckers have gone to their customers in the field and asked, "What can we do to cut your costs." For example, after heating, sulphur used to have to be re-piled, cooled and re-blasted. Now there is a truck designed to care for cooling the sulphur in

transit, so rehandling is unnecessary.

On Highway Policy, the trucking representative declared: "We know we're on the highways by your grace; you've made us and you can take us away." He denied that trucks damage highways (at which point, Moderator Heiner commented, "Just like sex, I knew we'd have to get that in somewhere").

Railroads Key—The basic problem of the railroads is their failure to earn enough to have access to additional capital, declared Dr. Miller in his luncheon address. He stressed also the inadequacies of the Railway Labor Act. "In all discussions of the railway problem, few offer the least suggestion how continuation of service may be assured." He feared that failure to get answers to these problems may bring government ownership of railways—"which might well lead to nationalization of all forms of transportation."

Another big question, according to the educator, is that there are differences in the degree to which the various forms of transportation are regulated and supported. He declared that "the railroads today must fight competition on many fronts, and, on some fronts, a losing battle."

Operations

I. C. C. Gets Per Diem Dispute

Nineteen roads file "complaint" asking the commission to find the \$2.40 rate is just and reasonable, and that "uniform observance" is required

The intra-railroad dispute over per diem broke into the open last week when a group of Class I carriers asked the I.C.C. to enforce the \$2.40 rate. Named as defendants were the New York Susquehanna & Western; Boston & Maine; New Haven; Rutland; Long Island; Atlantic & East Carolina; St. Johnsbury & Lamoille County, and the Barre & Chelsea.

These eight roads have announced their opposition to a \$2.40 per diem rate. In no case has any road agreed to pay more than an average rate of \$2.00 and some have taken the position that even this is too high.

The nineteen complaining roads asked the commission to find the \$2.40 per diem rate "just, reasonable and otherwise lawful"; and that performance of orderly transportation service by railroad "requires uniform observance" of this rate.

Preserve Uniformity—"In order that complainants may be accorded just and reasonable compensation for use of their cars by defendants and in order, in the public interest, that uniformity of per diem rentals be preserved, it is essential . . . that this

commission find and declare as just and reasonable the current per diem rate of . . . \$2.40," the roads said.

They asked also that the commission find "just, reasonable and otherwise lawful" the per diem rates in effect over the past three years.

A rate of \$1.75 was adopted by the railroads as of November 1, 1949. This was increased to \$2.00 on May 1, 1952, and was further increased to \$2.40 on August 1 this year.

The increase to \$2.40 was made after the owners of 1,521,342 cars voted favorably in a poll conducted by the Association of American Railroads. Opposing the boost were owners representing 423,333 cars.

The following roads signed the complaint filed last week with the I.C.C.: Santa Fe; Atlantic Coast Line; Baltimore & Ohio; Chicago & Eastern Illinois; Burlington; Milwaukee; Great Northern; Gulf, Mobile & Ohio; Illinois Central; Lehigh Valley; Missouri Pacific; Norfolk & Western; Pennsylvania; Reading; Frisco; Southern; Texas & Pacific; Virginian, and Wabash.

(More Operations news on page 14)



Six Reasons Why Baldwins Are Thrifty

1. Baldwins give as much as 8% more miles per gallon of fuel.
2. They consume up to 33⅓% less lube oil.
3. 5 to 15% fewer diesel engine and electrical parts decrease wear, replacements and maintenance costs, and increase availability.
4. The Baldwin system of dynamic braking has braking capacity which exceeds that found in the majority of today's locomotives—in some cases by as much as 50%—meaning less wheel and brake shoe wear, better control.
5. They have the weight and controls that can increase hauling capacity up to 3 additional freight cars in the tough assignments.
6. Standardizing on Baldwin renewal parts ensures finer quality and service for trouble-free performance and peak availability.

For finest quality and service

USE GENUINE BALDWIN RENEWAL PARTS...

You can be sure of interchangeability, finer performance and longer, trouble-free service life by standardizing on genuine Baldwin parts for your Baldwin Diesels.

They are machined with precision and fabricated from the materials best suited for the job, reducing service interruptions and frequency of replacements.

Baldwin's seven strategically located warehouses assure you prompt service to maintain peak availability and permit you to invest less in stocks of diesel parts.

These facts add up to...

SUBSTANTIAL SAVINGS!



BALDWIN-Westinghouse

DIESEL-ELECTRIC LOCOMOTIVES

.... they're thrifty

Pacific Coast Board Asks Study of "DF" Car Problem

Already on record as urging construction of additional specially equipped box cars, such as the General American-Evans "DF" car, the Pacific Coast Shippers Advisory Board has now requested the National Association of Shippers Advisory Boards to probe the problem of missing loading units from these cars.

A resolution passed during the board's 92nd regular meeting at San Francisco September 11 cites "wide approval and increasing demand" for cars of this type. It goes on to say that because "loss of expensive units from such cars has been sustained by their owners due to failure to replace same in cars by receivers of freight," the matter has "caused concern to car owners and threatens abeyance or even abandonment of plans to provide addi-

HOW TO GET CLEAN CARS—SHIPPERS

Closer working arrangements between industry and railroads are the most effective remedy for the dirty car problem. That is the opinion of 54 per cent of the voters in a nationwide survey conducted by *Railway Freight Traffic*. Those polled were industrial traffic managers and chamber of commerce traffic directors.

This coordination, the majority claimed, must be developed on a mutual basis between shipper and carrier. The voters suggested, among other things, educational campaigns in shipper-carrier operated clinics; use of reminder-posters, inside and outside cars, and establishment of an impartial shipper-carrier committee to expose offenders publicly.

Other remedies recommended were (1) establishment of punitive measures by the Interstate Commerce Commission to be imposed against offenders and (2) establishment of an agreed flat charge to be levied by railroads upon receivers who release cars adjudged "dirty" by uniform standards.

Twenty-five per cent of the respondents backed the latter remedy, while only 10 per cent championed the idea of punitive measures by the I.C.C.

Two reasons stood out in the opinions of those suggesting the flat charge practice. One was that when a man's pocket book is affected, results follow. The other was that the guilty party should pay for his laxity.

The proposed remedy of punitive measures by the I.C.C. received what backing it got for much the same reasons, but did not enlist much support, largely because voters were of the opinion the I.C.C. has enough to do without adding more.

tional cars until a solution to this problem is found."

The board asks the national association to include the problem on the agenda for its October 6 meeting at Omaha, and "to take appropriate action," so the device-car expansion program may continue.

Bad Orders—The board also is asking the association to study the handling of loaded bad order cars which are returned to delivering carriers because of penalty defects under the Safety Appliance Act and interchange rules. This practice the board says, "results in additional and unnecessary delays before equipment can be placed on repair tracks." The board points out that, in many reported cases, "it would appear that bad order loaded cars require more handling . . . if they are moved through additional lines thence to repair tracks, than if they were taken direct to the nearest repair tracks of the carrier in possession." The resolution asked the association to study means of eliminating such delays and the "additional hazards to railroad employees" handling the cars.

Satisfied—Shipper members of the board, through F. J. Chenard, chairman of the L.C.L. Shippers Committee and traffic manager of Roos Brothers, San Francisco, expressed "entire satisfaction with the performance of L.C.L. service locally." Although the committee's report indicated a feeling that some improvement could be effected in transcontinental schedules, it contained no complaints or constructive criticism from shippers about service provided by western carriers.

The next meeting of the board will be held March 11-12 in San Diego.

Rates & Fares

B&O Expands RDC Fleet; Cuts Baltimore-Wash. Fare

Reduced round-trip fares from Baltimore to Washington, D.C., and return became effective September 28 when the Baltimore & Ohio placed in service a fleet of five new rail diesel cars built by the Budd Company.

The B&O has had two RDC cars on the Baltimore-Washington run for the past two years. The five new cars permit addition of four new Baltimore-Washington trains and five in the opposite direction. This gives the B&O 25 daily trains in each direction between the two cities; and 11 of these trains are RDC trains.

Service Will Be All-Diesel—Also, the new service will mark the passing of the steam locomotive on the Baltimore-Washington run. All B&O trains between the two cities will be dieselized and air-conditioned by "late October," the road has announced.

The reduced round-trip fare is \$2

(including tax) from Baltimore to Washington and return. This is \$1.10 less than the regular fare. Tickets purchased at the reduced rate are valid on all B&O weekday trains leaving Baltimore after 10:00 a.m. For the return trip they are valid to and including the train leaving Washington at 1:00 a.m. the day following date of sale. On Saturdays and Sundays, the tickets will be honored on all trains. The plan involves no fare cut for a journey from Washington to Baltimore and return.

Law and Regulation

E.R.P.C. Files Answer In Truckers' Suit

Twelve specific defenses have been listed by the Eastern Railroad Presidents Conference in an answer, which it has filed in the United States District Court for the Eastern District of Pennsylvania, to the suit brought in that court last winter against the conference and its member railroads by the Pennsylvania Motor Truck Association and a number of individual trucking companies (*Railway Age*, January 26, page 17).

In its answer, the E.R.P.C. denies most of the allegations in the original complaint and asserts that the court lacks jurisdiction in the proceeding. It further states that:

- The truckers' complaint "seeks to interfere with constitutional rights of defendants [railroads] to free speech and to petition" to those "invested with the powers of government";

- Any damages suffered by plaintiff truckers "by enactment or failure of enactment of any laws in the several states" are the "result of sovereign acts of the respective state governments";

- "Plaintiffs come into court with unclean hands and are barred from obtaining injunctive relief or damages by their own illegal conduct." Such conduct, the answer says, has taken the form of a "malicious campaign . . . to injure defendants and . . . to maintain for plaintiffs an unfair competitive advantage over defendants through continuation of discriminatory taxes and relief of plaintiffs from payment of their fair share of the cost of construction and maintenance of public highways";

- The action "was instituted by plaintiffs in bad faith for the purpose of injuring the defendants through allegation of false, malicious and defamatory statements and for the purpose of influencing legislation" and that "continuance of the action in such a way as to make it the vehicle of false propaganda adverse to defendants constitutes an abuse of judicial process"; and

- "Defendants' activities have been in the public interest and cannot form the basis of a claim under antitrust laws." These activities, the answer says, "have consisted of bringing to the attention of the general public and appropriate state legislators, facts which plaintiffs have

(Continued on page 18)

A MODERN CONCEPT

for smoother freight movement

Introduced by
Scullin

THE *New* SCULLIN **C-C** TRUCK CONSTANT CONTROL

featuring CONSTANT CONTROL FOR
LOWER L. D. I. RATIOS

See how the new C-C Truck's remarkably simple, compact, constant control assembly saves so much cost and wear as it controls both lateral and vertical motion. The C-C Truck functions so efficiently that it set a Lading Damage Index Ratio record of only .44 Vertical, only .43 Lateral in Official A.A.R. Road Tests!

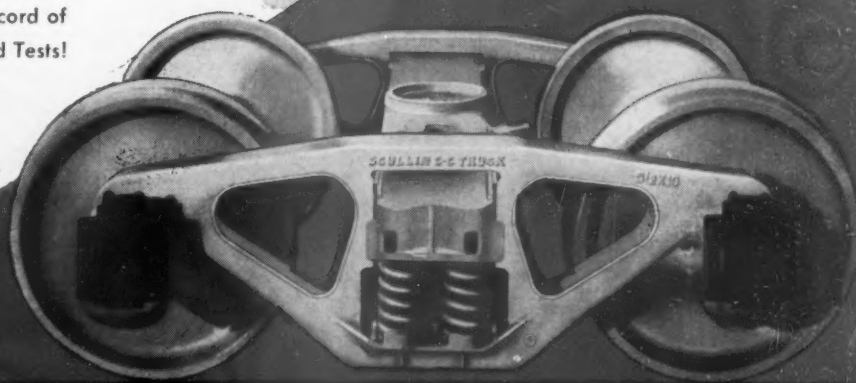
Write for details and engineering data
See the new C-C

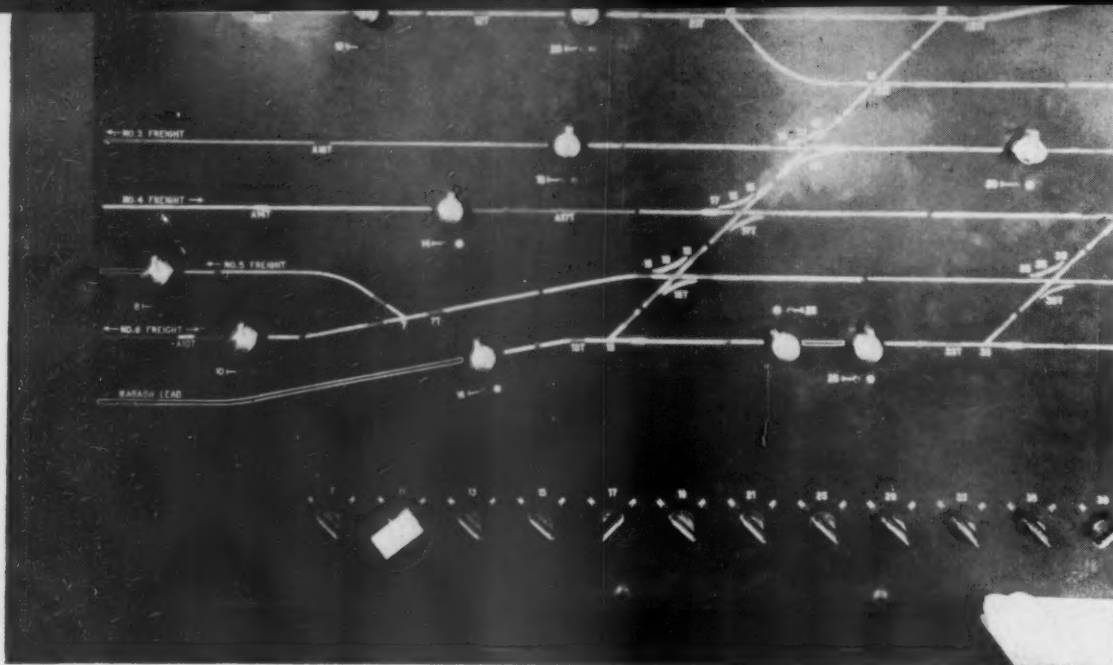


NEW YORK
CHICAGO
BALTIMORE
RICHMOND, VA.

SCULLIN STEEL CO.

SAINT LOUIS 10, MISSOURI





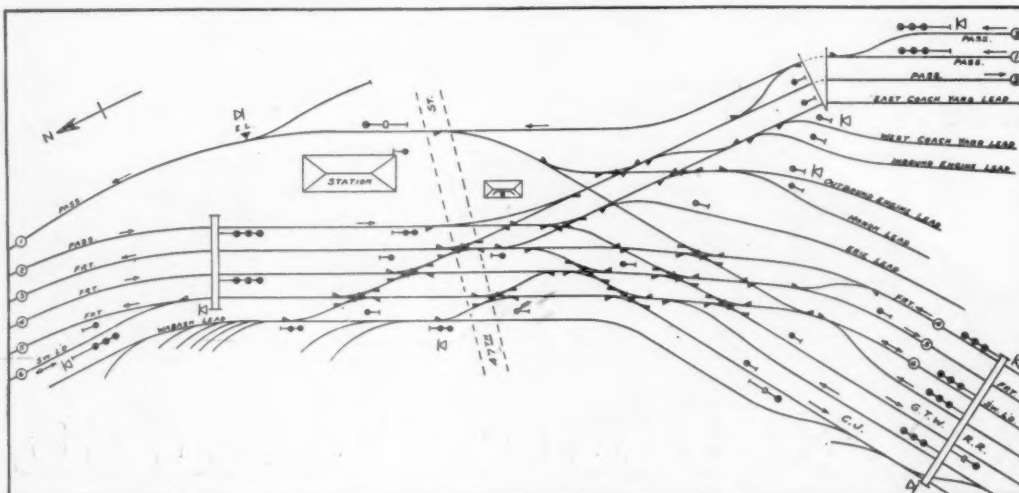
SIGNALS ARE CONTROLLED by knobs on track diagram and switches are controlled by push-turn levers at bottom of control panel.

This Easy-Working Interlocking



SEVEN NON-CONFLICTING ROUTES can be lined up simultaneously through these switches and slips.

On C&WI First of Its Kind



ABOUT 250 TRAINS and switching moves are routed through this junction area each 24 hours.

Simplified and fast manipulation with a minimum of apparatus and circuits is a characteristic of the route control machine of a new interlocking at 47th Street junction in Chicago, placed in service recently by the Chicago & Western Indiana. This machine has some operating advantages over the "origin-and-destination lever" machines, with automatic switch positioning of the route, in those cases where it is preferable to have the operator select the precise route for each individual move rather than to accept the selection sequence built into the system where route establishment is automatic.

This is a big interlocking, with 30 home signals, 9 slips, 4 crossovers, and 6 single switches (a total of 64 switch machines). This new electropneumatic set-up replaces an electropneumatic plant with a 120-lever machine which had been in service since 1908. The 1953 installation is entirely new, with the exception of the brick towers.

This junction handles trains of several railroads which use the Dearborn Street passenger station, including the C&EI, Wabash, Monon, GTW and Erie, as well as suburban passenger trains of the C&WI. The coach yard and enginehouse used by some of these roads are just south of the 47th street station, so that numerous light engine and empty coach train moves are made through the plant. A Wabash freight yard is just north of 47th street and west of the C&WI tracks, and there are numerous freighthouses and team tracks between 47th street and downtown Chicago, so many freight transfer moves are made daily through the interlocking.

Including 50 passenger trains, scheduled freight, and switching, this interlocking handles between 225 and 250 moves daily.

The New Panel Machine

The new plant is controlled by a panel-type machine with a desk, arranged so that the leverman, when seated, can reach all the levers and buttons without leaving his chair.

Lines representing each track are engraved into the non-reflecting black surface of the panel, the sections representing each track circuit being painted different colors for easier identification. Countersunk in these track grooves are sections of "line-o-lite," each $\frac{3}{4}$ -in. long, which are normally dark, but light to indicate: (1) track occupancy (red) and (2) the position of switches (white), thus showing the route lined up.

Below the track diagram is a row of 31 levers which control the 64 power switch machines on the switches, crossovers and slips. One additional lever controls an electric lock on a hand-throw switch.

These 32 levers are the so-called push-turn type, i.e., push and turn action is required to throw it. First, it is pushed about $\frac{1}{8}$ in., then rotated 90 deg. When the operator releases the lever it springs back out. This "push, turn, release" changing of position is practically a single instantaneous manipulation, which involves a positive action on the part of the operator, making accidental movement of the lever impossible. On the lines representing tracks on this panel, a chromium plated button is located to correspond with each home signal. Adjacent to each of these buttons is a small signal symbol with round red and green indication lights.

Normally, all the indication lamps on the control panel are dark. When the leverman is to line up a route, he pushes the button representing the home signal at the entrance of the route.

This lights the small red lamp in the symbol for the signal, adjacent to the button. Next the leverman throws the switch levers involved to establish the desired track lineup. As each lever is manipulated, the corresponding track switch or switches, driven by an electro-pneumatic switch machine, change position practically instantly. If the switch does not respond in the position called for, because the points are obstructed, the white "line-o-lite" section corresponding to the reverse position will flash as a warning to the leverman.

"Line-o-lite" Sections

The white "line-o-lite" sections which show the positions of switches are lighted to indicate the route and a round amber exit lamp is lighted alongside the signal button which represents the exit where the train will depart from home signal limits. Thus, the route available can be seen on the track model by following the switch-position lights to the amber exit light.

In this way the leverman can see the preliminary controls established for the route he wants, this being an important advantage and a time saver. His final action is to push the button for the location where the train will depart from home signal limits. When the signal clears, the red lamp at the entrance signal symbol is extinguished, the green lamp is lighted, and the amber exit lamp is extinguished.

When the approaching train passes the home signal, the green lamp at the route entrance on the board goes out. As the train occupies each section of track, the red "line-o-lite" indication for that track section only is lighted on the panel. The white "line-o-lite" sections, which indicate the position of switches, stay lighted as long as electric locking is in effect on corresponding switches. Sectional release locking releases switches as sections become unoccupied as the train moves on. After the train passes the route exit point, the controls revert to normal without attention by the leverman, and the indication lamps on the control panel go dark. The switch levers and switches can be left in their last-placed positions until changed for the next lineup.

If the operator desires to cancel a route after pushing the entrance signal button, but before he depresses the exit signal button, he merely pulls out the entrance signal lever. Means are provided for the leverman to "cancel" a route which has been set up, either before the final step of pushing the exit point button, or after the route has been cleared for a train to enter, provided it is not occupied. In the former situation the canceling action is effective immediately; in the latter, a predetermined time locking interval must elapse before the panel lights go out, indicating that a new route can be set up.

This interlocking was planned and constructed by C&WI forces under the direction of Harry W. Dunn, signal engineer. F. W. Zabrockas, signal supervisor, had charge of construction forces. The major items of equipment, including the control machine, were furnished by the Union Switch & Signal Division of Westinghouse Air Brake Company.

(Continued from page 14)

sought to distort and suppress, that heavy over-the-road trucks operated by plaintiffs and others are causing enormous damage to the nation's highways and that such trucks do not bear their fair share of the cost of building and maintaining such highways."

"Bringing to light these facts," the answer continues, "as well as facts with regard to consistent violations of the law limiting weight and speed of heavy trucks . . . is a legitimate activity beneficial to the public as a whole and cannot form the basis for an action under antitrust laws, for such action must be predicated fundamentally upon a disservice rather than a service."

Mitchell Says Regulation Must Release the Brakes

Failure of regulation to keep pace with changing conditions in transpor-

tation was assailed by Interstate Commerce Commissioner Mitchell in a September 16 speech in Washington, D. C.

"Not many years ago, 20 or 25, the railroads had a complete monopoly of transportation," the commissioner said. He said this "absolute control" led railroads to become "a little high-handed."

Today, he continued the trucking industry plays a big and important part in the transportation system of the country.

"Transportation has entirely changed, and yet we are regulating under rules and laws established 15, 20 or 25 years ago. In other words, regulation has not kept pace with changing conditions in transportation," Mr. Mitchell declared.

The commissioner addressed a meeting of the District Trucking Association. He said that in his judgment it is "ridiculous" to continue to regulate

under rules and decisions made by the commission 15 or 20 years ago. Custom and usage, he said, should play no part in present day regulation.

"It is one thing to regulate a monopoly and another thing to regulate a competitive business, and the fierceness of that competition is demonstrated throughout the land," the commissioner added.

Rails vs. Trucks—Turning to the "war" between the rails and the trucks, Commissioner Mitchell said that it "must end." He said there is plenty of business for everyone, and the job should be one of concentrating upon building a better transportation system rather than trying to destroy a competitor.

"Recently our attention has been called to the fact that great sums of money are being expended by various segments of the transportation industry (Continued on page 31)

A Tool for Better Selling

Sales manual assists Southern Pacific passenger representatives to improve their sales efforts

Increased effectiveness in sales efforts is the goal of an original "home made" sales manual now being used by Southern Pacific passenger service salesmen. This sales tool is designed to assist ticket salesmen in point-of-contact sales, and traveling representatives in aiding travel agents and other off-line salesmen who directly or indirectly sell travel in the SP's territory. Fifty copies of the manual are in use in the off-line Mid-West sales district, and 35 copies in the on-line Central sales district.

The manual was conceived and compiled by Carl O. Olsen, passenger traffic manager of the SP at Chicago, and is based on 29 years of railroad sales experience in both the freight and passenger departments, including many years as a joint freight-passenger service salesman. Many valuable ideas

and suggestions used in designing the manual were gleaned from salesmen representing other railroads, as well as from members of the SP sales staff.

It has been Mr. Olsen's observation that the average railroad salesman is given very little assistance and guidance in his sales efforts, and is rarely supplied with useful compact or consolidated sales aids or tools. This is particularly true of salesmen who are expected to handle both freight and passenger sales. The salesman is, so to speak, told the geographical limits of his territory, handed his transportation and sent out to call on the trade.

The manual is designed to help alleviate this condition. It is intended to function as a guide to assist the salesman in his contacts with customers and with wholesale outlets. It is basically an organized compilation of all

pertinent information concerning SP passenger services. All information in the manual is generally available, but from so many scattered sources few knew where to find it all. It has proved particularly useful in instructing and aiding non-SP salesmen in doing a better job of selling travel via the SP.

The use of a loose-leaf form permits revision of individual pages whenever needs require. In this way, information in the book can always be kept current.

Contents include detailed information on train consists; optional routes; Hertz Drive-Ur-Self service; general information on pets, remains, baggage, children, etc.; and data on national parks resorts and points of interest. In general, information is arranged by each of the SP's four routes, with all material pertinent to each route contained in a separate section.

This sales manual is but one of the tools and methods being used by the SP to improve and increase the sales effectiveness of its passenger men. Others include planned sales programs, concentration and direction of sales efforts, sales training, and new ticket office sales techniques.

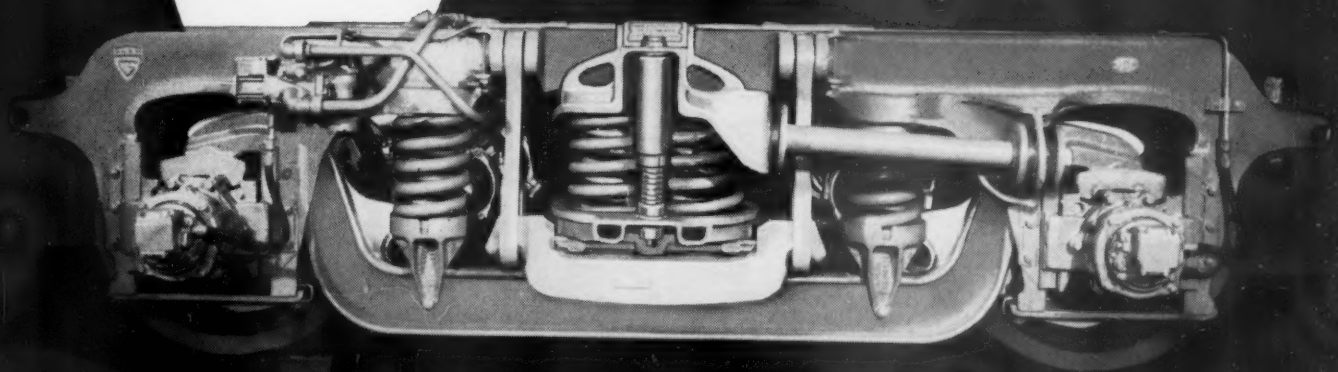


MANUAL is useful in over-the-counter selling . . .



. . . and in helping foreign line agents boost sales via SP.

*It's a
Fact!*



Commonwealth
OUTSIDE SWING HANGER TYPE TRUCKS
are being used on
of All Main Line Passenger Cars
Built or ordered in the United States and Canada
since January, 1932

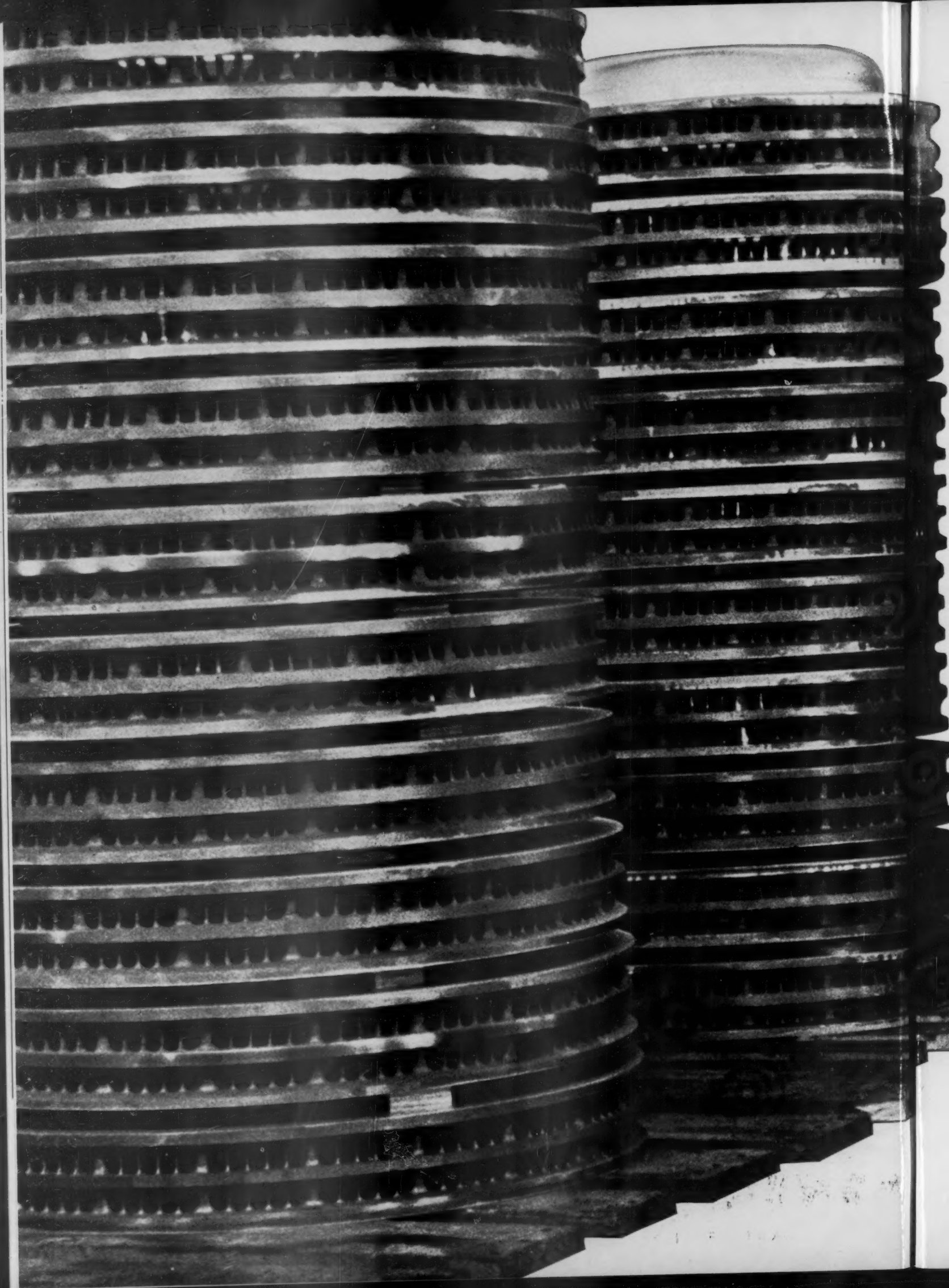
Yes, facts like these prove the general acceptance of
COMMONWEALTH Outside Swing Hanger Type Trucks. Of latest design, with broad
spring base, all-coil springs, bolster anchors, and shock absorbers, this
design of truck substantially reduces car body roll and greatly simplifies
inspection and maintenance of truck parts.

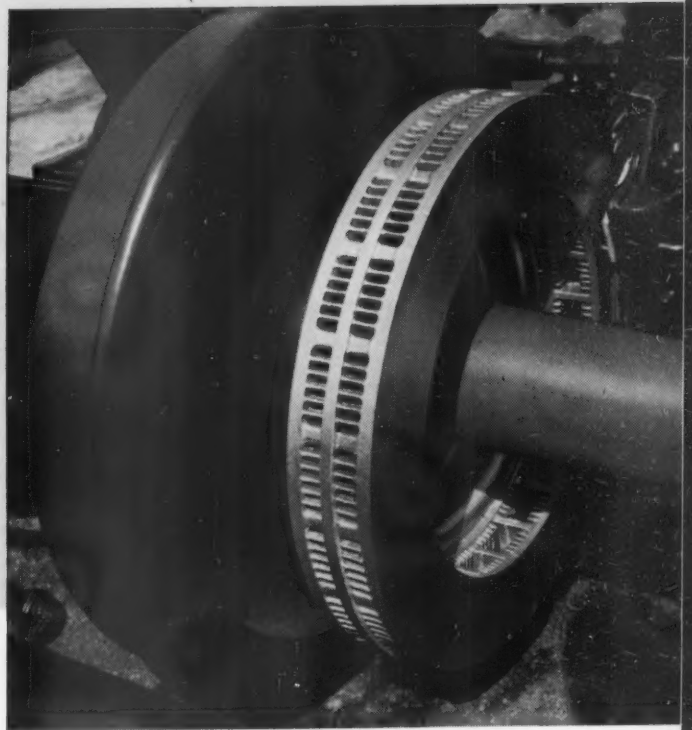
For smooth, more comfortable riding at all speeds and efficient,
dependable operation, equip *your* passenger train cars with COMMONWEALTH
Outside Swing Hanger Trucks arranged with the new Central Bearings.



GENERAL STEEL CASTINGS

CHICAGO, ILL. • PITTSBURGH, PA.





AS of August 1, 1953, United States and Canadian railroads had 642 new mainline railway passenger cars on order. 421 of them will be equipped with Budd railway passenger car disc brakes.

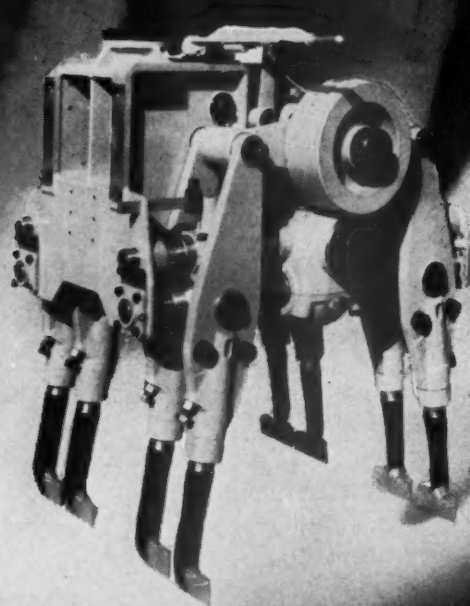
The Budd Company, Philadelphia 15.

Budd

PIONEERS IN BETTER TRANSPORTATION

Matisa

ADDS A VELVET GLOVE TO THE IRON HAND



NOW, FINGER-TIP TAMPING CONTROL!

- Improved Clutch Requires Less Pressure—Reduces Wear, Reduces Operating Fatigue
- Direct Gear Drive—More Efficient—Less Operating and Maintenance Cost
- *Faster Than Ever!* Quicker, Smoother Tamping Tool Opening Cuts Idle Time, Speeds the Job!

What ELSE is new at MATISA? New Power Wrench • New Tie Adzer • New Tie-Remover and Insertter • New Jack Carrier and the NEW MATISA BALLAST CLEANER! ALL Matisa-designed for "the new Standard in track maintenance!"

TRACKWORK SPECIALISTS ALL OVER THE WORLD



THE MATISA EQUIPMENT CORPORATION • 224 S. MICHIGAN BLVD. • CHICAGO 4

A Commissioner's View On Value-of-Service Rates

A learned discussion of the question of the liability of common carriers was published in the Michigan Law Review for June of this year under the joint authorship of Interstate Commerce Commissioner Anthony F. Arpaia and Clarence G. Jensen, director of the I.C.C.'s Bureau of Traffic. In this article the authors point out the relative insignificance of the insurance cost to protect the carrier against risk of greater loss in the transportation of high-value commodities, as contrasted with the risk in handling low-value traffic.

The authors are inclined to favor "released value" rates for all freight—rates, that is, which would protect the shipper only up to a relatively low maximum valuation per pound. If the shipper wished to declare a higher value, then he would be required to pay a higher rate—limited, however, to approximately what the additional insurance cost would be on the higher valuation. The authors go on to say:

"... it would still be possible, even with released rates applicable on all freight, to recognize differences in value in fixing the basic rates. Higher rates could be charged, for example, on copper than on iron, on wool, than on cotton, and so for hundreds or even thousands of other commodities. The difference in intrinsic value would remain, regardless of the carrier's liability for loss or damage; and that difference would still justify a difference in rates, although not so wide a one as was once considered proper.

"As a matter of fact, during the past quarter century since the trucks came into the transportation field as important competitors of the railroads 'the value of the service' has been minimized as a factor in rate-making to a much greater extent than seems to be generally realized. In the twenties and thirties the railroads were forced to make deep cuts in their rates for the transportation of nearly all high-grade traffic, to avoid losing it to the trucks, and although all rates have since been substantially increased, the spread in rates between high-grade and low-grade traffic is now much narrower than formerly. And the spread is still narrowing, due always to the pressure of truck-rail competition. In short, rate-makers have been forced to recognize the hard fact that the 'value of the service'—of any service—can never be

greater than the price for which an acceptable substitute is obtainable.

"Again, while the propriety of charging high rates on high-grade traffic in order to permit the maintenance of low rates on low-grade traffic was hardly open to question so long as the railroads had a monopoly of transportation, it is not possible to import that principle into the rate structure of the highway carriers for the simple reason that with relatively few exceptions the traffic carried by any one trucking company is not sufficiently diversified to permit the principle to operate. The trucking company which is carrying dry goods, cigarettes and whiskey is not carrying any appreciable volume of fertilizer and crushed stone, and vice versa. Each carrier necessarily must charge rates high enough to cover the costs of transporting the particular traffic which it is carrying. At the same time, no highway carrier, no matter what class of goods makes up the preponderance of its traffic, can charge much more than the cost of performing the service, for if it does it is certain sooner or later to lose the business to contract or to private trucks."

These observations, if we understand them correctly, might be restated somewhat as follows:

- Value-of-service considerations are a legitimate ingredient in rate-making, but should not be insisted upon where their only effect is to drive away business which could otherwise be profitably handled. The cost of private transportation must be recognized as the ceiling for all common-carrier rates.
- Because of their tendency to specialization in the kinds of traffic they carry, truck operators have little opportunity (as the railroads did at one time) to shift the burden of their overhead costs from some categories of their traffic to others. Furthermore, if a for-hire carrier tries to charge much more than the cost of his service to a particular shipper, he runs a serious risk of losing the business to private movement.

All in all, these observations seem to cover the waterfront pretty thoroughly, as necessary principles for effective rate-making by the railroads. They would not appear to require or justify the continuance of "paper rates" by the railroads, except where such rates were built up from actual railroad costs (i.e., where the railroads are lacking an "inherent advantage" for the traffic in question). If actual railroad rates were recast in recognition of these principles, isn't it likely that the railroads would be handling—and handling profitably—a considerable tonnage that is now moving by other forms of transportation?

Questions

An empty car is placed on a private track, by railroad power, at 8 a.m. Monday. Loading is completed Wednesday. Car number, contents, destination, consignee and route information are telephoned to agent at 4 p.m. Wednesday. Car is pulled at 11 p.m. Wednesday. Bill of lading and shipping order are delivered to freight agent at 10 a.m. Thursday. What is the demurrage calculation on the car?

Observance of Car Service Rules in loading cars, by railroads at their freight-houses and by shippers at their plants, is far from what it can and should be. Is the principal reason for this the fact that local transportation forces are held directly responsible for switching costs and only indirectly for car hire (per diem) expense? What can be done to improve this situation?

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You Can Win \$100!

ANNOUNCING:

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Best paper on relation of accounting department to rest of railroad will get award—Subscribers in *all* departments urged to participate

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170,000 freight cars have been built



**B & O lightweight hopper car
"633000" built of
U-S-S COR-TEN steel in 1934**

Light Weight.....31,400 lbs.
Load Limit.....137,600 lbs.
Ratio of revenue load to
gross load.....81.4%

Body Thicknesses—Inches

Side and end sheets..... $\frac{3}{32}$
Hopper sides..... $\frac{3}{32}$
Doors..... $\frac{3}{32}$
Floors..... $\frac{3}{32}$
Longitudinal hood..... $\frac{3}{32}$
Cross ridge gussets..... $\frac{1}{8}$
Side stakes..... $\frac{3}{32}$

better with U-S-S COR-TEN steel since 1933

19 YEARS' SERVICE

from $\frac{3}{32}$ -in. side sheets and end sheets

—famous "old-timer" finally convinces the skeptics

● Back in 1934 when it was announced that the Baltimore & Ohio had designed and built a hopper car 12,000 lbs. lighter than conventional construction, hard-boiled railroad men shook their heads. Nothing like this had ever happened before!

When they heard that end and side sheets would be made of U-S-S COR-TEN high strength steel in only half the normal $\frac{3}{16}$ -in. thickness, and that floors, cross-ridge sheets, longitudinal hoods, hopper sheets, doors and side stakes too, were of $\frac{3}{32}$ -in.

COR-TEN steel—not the usual $\frac{1}{4}$ -in. thickness—some expressed the opinion that the car would not last more than a year.

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For here on view was old "633000" in person—the *first* freight car built lighter with COR-TEN steel—with 19 years of service behind it, after travelling more than 200,000 miles, hauling more than 6 million net ton-miles of payload—and with the *original* $\frac{3}{32}$ -in. side and end sheets

still in good condition.

The operating history and inspection records of this first all-COR-TEN steel car are worth your study.

For the first three years this car was confined to service on the B&O. It has been hauling unrestricted lading in regular interchange service ever since. In 1944 it underwent a thorough inspection and was adjudged to be "in excellent condition" for a car ten years old.

Again in 1947, after 13 years' service, the inspectors went over it. This time, the slope and cross-ridge sheets and the longitudinal hoods required repair or replacement. Side and end sheets were still in good shape. Back for inspection and repair again this year, these same sheets were—as seen by thousands at the Atlantic City track exhibit—still fit for more service.

* * *

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UNITED STATES STEEL



Division Chairman Waldron presided at the meeting. He is treasurer of the Nickel Plate.



A. M. Jacobs (right), the division's new chairman, being congratulated by Vice-President Seder of the A.A.R.

Railroading Must Be Pioneering

Pinkerton of Detroit & Mackinac tells treasury officers prospects on the horizon include trailers-on-flats business and well-tailored rate adjustments—Air Reduction's Hill emphasizes need for effective management training

Railroad executives with the industry's destiny in their hands should not "moan and groan about the competitive situation." They should "develop a militant and ascendant philosophy with a determination to maintain a dominant position in the transportation field."

That's what Charles A. Pinkerton, Jr., president of the Detroit & Mackinac, proposed in an address at the annual meeting of the Treasury Division of the Association of American Railroads at Grand Hotel, Mackinac Island, Mich., September 16 to 19, inclusive. At the same meeting, John A. Hill, president of Air Reduction Company, advised that high priority be given by today's management to the organization and maintenance of effective programs for "developing tomorrow's management material."

The Only Proper Course

Mr. Pinkerton's appeal for militancy asserted such a course is the only proper one "if we are to call ourselves railroad men." He went on to say there is room in the industry for "modern, aggressive pioneers." Among "pioneering prospects on the railroad horizon," he listed rail-trailer ("piggy-back") operations, well-tailored rate adjustments to hold business, and improved service.

Mr. Hill's advice was based on his conviction that tomorrow's management "must be even better" than today's, which is "better trained and equipped than yesterday's." He noted that today's management is striv-

ing to pass on to the next generation "better plants, better facilities, a better balance sheet" than it received. And he asked: "To what avail, if it does not pass on better management, better equipped to face the problems of tomorrow."

Other speakers at the meeting were A. E. LaPointe, vice-president of the Manufacturers National Bank of Detroit, and A. R. Seder, A.A.R. vice-president in charge of the Finance, Accounting, Taxation and Valuation Department. Division Chairman A. M. Waldron, treasurer of the Nickel Plate, presided at the meeting.

At the election session, A. M. Jacobs, treasurer of the Missouri-Kansas-Texas, was chosen to succeed Mr. Waldron in the chairmanship. Mr. Jacobs had been vice-chairman, and he was succeeded in that position by P. D. Fox, assistant vice-president and treasurer of the Pennsylvania. Richard E. Keefer continues as secretary.

The meeting was the division's thirteenth, but it was the forty-second annual meeting of railway treasury officers, including sessions held by the former Railway Treasury Officers Association. Nearly 350 members and guests of the division attended.

F. H. Jeffrey, treasurer of the Milwaukee, was chairman of the Committee on Arrangements. The arrangements included special car services provided by the New York Central and Baltimore & Ohio to and from Detroit. There the cars were assembled to make up a special NYC train to and from the Mackinac Island boat docks at Mackinaw City, Mich. The division's 1954 meeting

will be held at the Greenbrier, White Sulphur Springs, W. Va., from September 6 to 9, inclusive.

Stay Abreast of Economic Changes

"On the Nature of Things" was the title of Mr. Pinkerton's address. Because "changes are inevitable and are continually going on," he sounded this note of warning: "If we want to maintain our position as one of the greatest mass transportation systems in the world, we're going to have to stay abreast of time-wrought changes and perform creative, analytical thinking to forge our own changes into advantageous harmony with transitional conditions existing during any given period."

As to his road, the D&M president recalled that it once developed a substantial passenger business, carrying vacationists on their way to and from Mackinac Island. This was part of an undertaking to cope with changes brought about by a dying lumber industry. But the passenger business also fell off after 1920, and the service was abandoned entirely in 1951.

Meanwhile, the D&M had been backing the development of shale, limestone, gypsum and gravel deposits—all products of mines which now comprise its principle revenue sources. Nevertheless, the road is still in a "predicament," being, as Mr. Pinkerton put it, "literally half a railroad . . . bordered on the east by Lake Huron with nothing to offer but competitive shipping and a very few express fish shipments."

As to the competition of Great Lakes shipping generally, Mr. Pinkerton said that most of the traffic carried by the boats "rightfully" belongs to them, "rate and efficiency-wise." At the same time, however, he feels that there has been traffic lost to water carriers which could have been retained by rate adjustments, if the contemplated diversions had been known.

"Piggy-Back" Plan Looks Good

As to highway competition, the "piggy-back" plan looks to the D&M president like one of the railroads' "brightest" pioneering prospects. "The 'piggy backs,'" he said, "are coming into their own and the continued development of this type of service between metropolitan points offers almost unlimited traffic potential to the industry. Posterity may come to consider the rail-highway amalgamation as a milestone in railroad advancement."

Agreeing that "every optimistic deck" seems to have "one or more jokers," Mr. Pinkerton said the "joker" in the "piggy-back" situation may turn out to be financing. He went on to indicate his view that financing by equipment trust certificates might not be feasible. "Equipment obligations," he said, "have already been tripled since 1945 with consequent reduction in current assets. There is a limit to the length of the financial limb you can climb out on."

Coming to his discussion of tariffs and rate structures, Mr. Pinkerton said they comprise "another sphere where the railroads can make an attempt to keep up with flux and do some long-needed pioneering." The D&M president went on to assert that "in many cases the rails have stubbornly continued to charge what any particular traffic item would bear and have refused to compete when the traffic went to the competition. The railroads themselves

have been to blame for the traffic loss. There have not been any external influences—in economics or technology—that have caused the diversion of traffic."

Mr. Pinkerton did concede that regulation has something to do with the case. And in that connection he quoted from a *Railway Age* editorial (issue of August 10) which said that "the failure of railroad rates to give full effect to the railroads' economic advantage is ascribable, at least in large part, to the strict regulation to which the railroads are subjected." He also said that long waits for rate decisions comprised "an additional phlegmatic effect of regulation."

Then, however, he hastened to say "we can't conscientiously make regulation the whipping post and absolve ourselves of all guilt." He added "We all have within our experience the knowledge of certain traffic diversions which occurred because some roads would not cooperate with a pioneering line in publishing a competitive rate. Consequently, traffic which rightfully belongs to the rails has been lost."

More Spirit "Like Mr. Young's" Needed

Other suggestions from Mr. Pinkerton were that the railroads simplify their "antiquated" rate-bureau organization; improve their competitive position with respect to motor carriers by reducing terminal delays and speeding up l.c.l. shipments; step up programs for recruiting and training new talent for management positions; and do a better public relations job. "We need . . . spirit like Mr. [Robert R.] Young's," the D&M president said at one point.

There is need, he said, for a "socio-political evolution" to bring about recognition of the fact that the railroads are no longer monopolistic and thus require a governmental policy "more on *laissez faire* principles." In Mr. Pinkerton's opinion, railroad men have the power "in our own hands to institute and promulgate" desired changes.

"It stands to reason," he said, "that no one will consistently support the status quo when to do so can be exposed as being harmful to the public interest and a hindrance to transportation efficiency." But he headed into that statement with this: "It takes aggressiveness and initiative to take our story to the shippers and the public."

In easing regulation, Mr. Pinkerton would remove restrictions which prevent railroad companies from diversifying their activities by entering fields other than transportation. Small roads especially "should be permitted to practice entrepreneurship in creating and promoting various subsidiary enterprises," he said.

"This in effect," he added, "would provide a variety of self-engineered subsidization. The additional income to the carrier would permit a continuance of transportation service vital to the region on a basis not otherwise possible with meager and limited rail revenues."

Recalling D&M experiences, Mr. Pinkerton said the road had "difficulties" in organizing a subsidiary truck line. Also, it has been denied the right to operate "various processing plants utilizing existing company-owned properties."

President Hill of Air Reduction made "Tomorrow's Management" the subject matter of his address because he believes the railroad industry will "find its way out



D&M President Pinkerton's text was from Lucretius—"If you think that the first beginnings of things can stay still, and by staying still beget new movements in things, you stray very far away from true reasoning."

of the wilderness" only if it continues to develop, and steps up the development of, "leaders capable of blazing a trail." In saying this, Mr. Hill emphasized that he intended "not the slightest unfavorable reflection" on the industry's present leaders. He added:

"They have done, and are doing, a magnificent job of operating and rehabilitating the nation's railroads under extremely trying conditions . . . But the nature of most of your problems is such that, while they will be solved in part by each generation of management, they will survive several generations."

Conceding that there is nothing new in the idea that management must develop its successors, Mr. Hill went on to suggest that the time has come when the railroads, as well as other industries, "must take a good look at your methods of developing tomorrow's management material."

Modern management thinking, he continued, has questioned the sufficiency of the point of view which took the development of management talent for granted, on the theory that "ability would make itself known and that naturally it would rise to the top." With the questioning has come "the realization that a positive attitude toward the development of management material is called for."

In considering where the management material should come from, Mr. Hill has not made the college-education specification a "must." His view is that college education "is only *prima facie* evidence that a man's mental processes are reasonably lucid and that he has been able to adjust himself to an organization." At the same time, he had this to say: "In view of the larger percentage of high school graduates who now go to college, it seems to me that on the basis of the law of averages, a company or an industry must try to get a reasonable share of college-trained people."

While he regarded this matter of recruitment as important, Mr. Hill appraised as "of much greater importance" the matter of determining "what is to be done



President Hill of the Air Reduction Company (left) talks over his speech with Treasurer Winters of that company. Mr. Winters—who was the recipient of a special award at the meeting—introduced Mr. Hill at the meeting.

about the development of people who have already started up the management ladder." He noted that the idea of developing executive talent methodically never made much headway until after World War II, yet today industry is "peppered with" training programs.

Good Management Is Best Asset

Mr. Hill suggested three principal reasons for this development: "Recognition at last of the fact that the most valuable asset a business can have is good management"; the "increased complexity of the management job itself"; and the "realization that the emphasis on specialization usually leaves an executive poorly prepared to move into a position of overall responsibility."

"It's a rare top executive," Mr. Hill also said, "who finds himself fully prepared for the job he is supposed to handle. For most of us, the day we assumed office marked the beginning of a period of furious self-education to handle many new and unfamiliar responsibilities." Thus, executive development programs "are trying to produce executives with more rounded backgrounds."

The "so-called top management team" has a "very important function" in relation to the development of talent, Mr. Hill continued. This is because "organizations live in atmospheres, just as we live in the atmosphere of air . . . If the atmosphere surrounding an organization is not favorable to the growth and development of the people who comprise the organization, then there will be little or no such growth or development." Top management should assume a "positive attitude" on the matter, and make that attitude "felt throughout the organization."

Mr. Hill next listed what he considered the "major components" of an "atmosphere favorable to the growth and development of people." First on the list was his call for "a clear definition of policy of promoting from within," because: "If you want to create and foster in an individual the desire to develop himself, you must

provide him with attractive and realizable objectives. This policy, however, is not to be confused with a system of promotion in strict conformity with seniority."

Another necessary component, according to Mr. Hill's list, is "the desire on the part of management at every level to encourage the people under them to develop themselves." At Air Reduction, he said, "we preach the doctrine that the first duty of a manager is to provide for succession. . . . You can drive home to a manager that it is in his own best interest that the people under him develop, by pointing out that the indispensable man never gets promoted."

Right Attitude Toward Suggestions

Mr. Hill completed his "major components" list with calls for "willingness on the part of managers to share with their subordinates the decision-making function," and for the right attitude toward suggestions from subordinates. As to the former, he recognized that the de-

partment head must have the final word, but "this should not prevent subordinates from participating in decisions."

It is Air Reduction's policy that "suggestions, or questions, or criticisms regarding policies or practices, must receive serious consideration." If a suggestion cannot be adopted, the person who made it must be told why. "The best evidence of management's sincere desire to encourage people to think beyond the narrow confines of the daily job, is management's readiness to accept not only suggestions, but also criticism," Mr. Hill added.

During intervals between the addresses, the delegates disposed of a business docket which included reports of the division's standing committees and sectional groups. The banquet session was featured by the presentation of a silver tray to William Winters, Jr., treasurer of Air Reduction, who has been a familiar figure at the division's meetings for many years. Mr. Winters will retire at the end of this month, but he will continue to represent Air Reduction at the division's meetings. The presentation was made by Division Chairman Waldron.

(Continued from page 18)

try in the promotion of what is designated as public relations," he said.

"To my way of thinking it is propaganda. I can conceive of no good reason why any segment of the transportation industry should spend several hundred thousands of dollars employing a public relations firm to spread propaganda—not for the purpose of promoting transportation but to destroy in the eyes of the people a certain other segment of transportation."

The New Team—The commissioner said he believed the "motor industry" has a complaint against I.C.C. delays in handling cases. He then noted that in the past year five new members have been added to the commission. In addition, three other members, including himself, have been appointed within the last six years.

"And so you have a commission made up of members who have open minds and who, I am hopeful and believe, will turn out some of these matters which have been so annoying to your industry and to the other segments of the transportation field," he continued.

Elsewhere in his address, Commissioner Mitchell discussed the I.C.C.'s waybill study. He labeled it an "expensive thing," and said he has tried to find out who uses the study or what value it is.

"I have yet to find a single traffic manager, and I have asked many of them from the big and little concerns throughout the country, who would tell me that the waybill study was an important thing or that they considered it a good thing," he said.

The commission has spent "somewhere around \$250,000 to \$300,000" on the study, he continued, and it cannot afford this money for something of "limited value" at a time when the commission is "several thousand cases" behind in the Bureau of Motor Carriers.

Labor & Wages

Cost-of-Living Clauses Converted to New Base

Negotiators for railroad management and labor have reached an agreement for converting the "old series" Consumers' Price Index into the "new series" for wage contracts containing so-called escalator-clause provisions. Such clauses provide that a rise or fall in the government index will cause a parallel change in hourly wages. The wage adjustments are made quarterly.

In 1952 the Bureau of Labor Statistics began publishing its "new series" Consumers' Price Index. The bureau announced that the "old series" on which railroad wage agreements were based, would be discontinued. This occurred on June 30, 1953. As a result, it was necessary to arrive at a "conversion factor," to place existing contracts on the "new series."

107 Equals 178.—An agreement reached September 16 provides that 107 in the new index shall be the equivalent of 178 in the old index. A change of 0.6 point in the new index

shall be considered the equivalent of a change of one full point in the old index and a rise of 0.6 would produce a wage increase of one cent per hour, as would each subsequent rise of 0.6 point. Similarly, each 0.6 point decline in the index would result in a one-cent wage cut, down to the "base" of 107.

When the old index was being used the relationship between the index and wages was one-for-one.

Wage agreements are to be changed in line with the September 16 formula. The next wage adjustment due under escalator-clause provisions will be based on the August 15 index. The index has been rising recently, and when the August 15 figure is made public it probably will result in a wage hike of two or three cents an hour for employees.

Competitive Transport

Barge Line's "Piggy-Back" Plan Is Scuttled by I.C.C.

A barge line's proposal for entering "piggy-back" operations over most navigable streams in the midwest has been rejected by Division 4 of the I.C.C.

Commercial Barge Lines holds limited operating rights over the Mississippi, Missouri, Ohio and Tennessee Rivers and their tributaries, as well as over the Gulf Intracoastal Waterway west of New Orleans. The company proposed to expand its operations to include general commodities both on a bargeload and on a less-bargeload basis.

Less-bargeload traffic was to move in highway trailers. This trailer-barge ser-

(Continued on page 34)

EMPLOYEES GET 3 CENTS EFFECTIVE OCTOBER 1

A wage increase of three cents an hour will go to railroad employees October 1, the result of a rise in the government's cost-of-living index.

The August 15 index, made public September 23, stood at 115. Escalator clauses in wage agreements provide that wages shall move up or down with changes in this index.



THE PS-1 BOX CAR

① The PS-1 is a good example of the *progressing standard* which is so important in the successful operation of these cars. Pullman-Standard Research and Development engineers have never stopped testing, proving and improving the standardized PS-1.

They continue to anticipate the railroads' needs for better, more economical freight cars. Under laboratory control, Research and Development technicians reproduce service hazards. The cars are subject to conditions more severe than those actually ever encountered.

NEW BOOKLETS

Anyone concerned with Box Cars, Covered Hopper Cars or Hopper Cars will be interested in the facts, specifications and details contained in these illustrated booklets. Write for a copy of any one, or all three.



NOW 3

standardized freight cars

The PS-1 Box Car, the PS-2 Covered Hopper Car and the PS-3 Hopper Car—the results of tested design and continuous production, are standardized in order to produce top-quality freight cars more economically for the railroads.

Their designs are the products of Pullman-Standard's Research and Development engineers—engineers with the experience and resources to not only create but also to test

the components and completed cars. Their construction reflects the advantages of continuous production. It makes possible the economies of specialized tools and techniques. Their stamina and continual improvement are influenced by "on-line" checking by Pullman-Standard Sales and Service engineers.

50,000 PS-1's have gone into service for 56 railroads proving that standardized cars are a sound, revenue-building investment.

YOUR NEEDS CREATE THE PULLMAN "STANDARD"

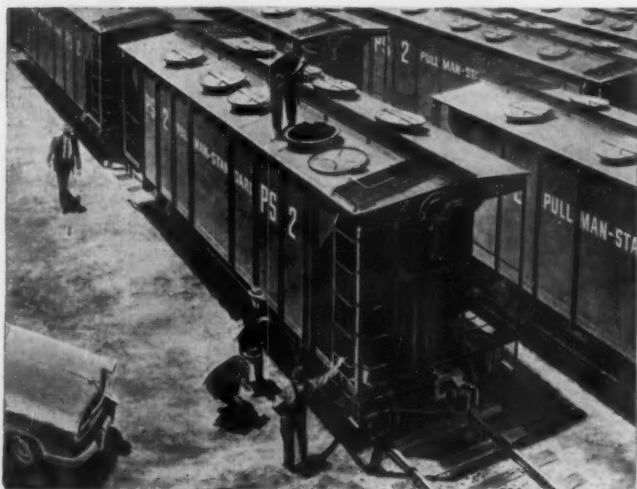
PULLMAN-STANDARD

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SUBSIDIARY OF PULLMAN INCORPORATED

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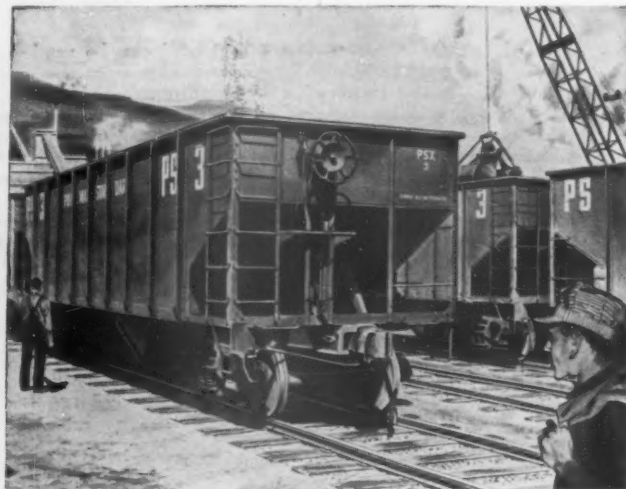


THE PS-2 COVERED HOPPER CAR

② The PS-2 Covered Hopper Car presents another Pullman-Standard achievement in freight-car standardization for dependability and economy.

The design is new. It permits the use of the most modern methods of car construction and production including the extensive use of automatic arc welding.

Besides stronger construction, some of the PS-2's features include: improved circular hatches; smooth self-cleaning hoppers; and a sturdier, safer roof.



THE PS-3 HOPPER CAR

③ The specifications of the PS-3 resulted from a thorough inspection of virtually every type of Hopper Car in service and from a study of the effects, on the cars, of current handling practices.

The cars were developed to incorporate proven advantages and to omit potential trouble spots.

Among the objectives set for these cars were three which dictated welded construction; maximum strength at all vital points, maximum corrosion resistance, and smooth interiors for fast unloading.

(Continued from page 31)

vice, as explained by Division 4, would include store-door pickup and delivery of shipments and the carriage of the trailers on decks or in the holds of barges.

According to the barge line, this trailer-barge service would provide "rail speed at water rates." The plan contemplated port-to-port rates based on 80 per cent of all-rail carload rates and subject to minima appropriate to highway vehicles.

Size of the barge line's proposal is indicated by the fact that 120 motor carriers were reported willing to enter negotiations for establishing through routes and joint rates. This tie-up would have expanded the barge line's "piggy-back" operation from New York to Minnesota, and south to Texas and Alabama.

Widespread Support—Supporting the request for general commodity authority were "approximately 169" shippers—most of whom were interested in the less-bargeload "piggy-back" operation. Other support came from the

Department of Agriculture, the Tennessee Valley Authority, and from port directors and commercial organizations.

Railroads from all sections of the country joined in opposing the proposal. Allied with them were "approximately 21" motor carriers as well as most water carriers with operating rights on the Mississippi River system.

These opponents argued that public interest did not require this expansion of the barge line's operations; and that such diversion of traffic would place existing transportation service in jeopardy. The rail carriers complained, too, of the failure to define accurately the areas in which pickup and delivery service would be performed.

Water carrier opponents raised the question of whether Coast Guard regulations would permit the transportation of loaded trailers, at least on the decks of tank barges. They suggested that in case this were not permitted, Commercial Barge Lines would limit itself to bargeload traffic. This, they asserted, was Commercial's "main interest."

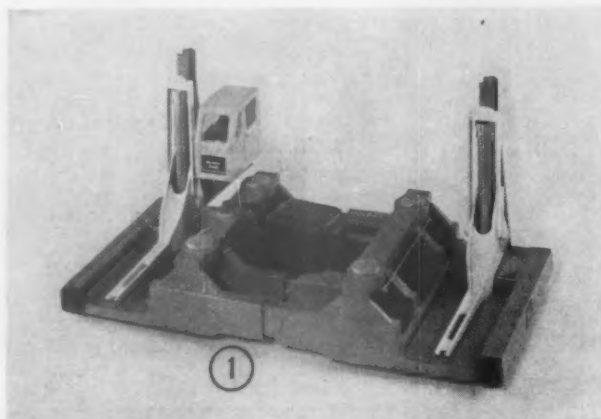
"Piggy-Back" Dead?—The word-

ing of Division 4's adverse finding indicated the commission was impressed with shipper support for the "piggy-back" portion of the barge line's proposal. It noted, however, that the barge line insisted this service would not be "feasible" unless coupled with a general barging operation.

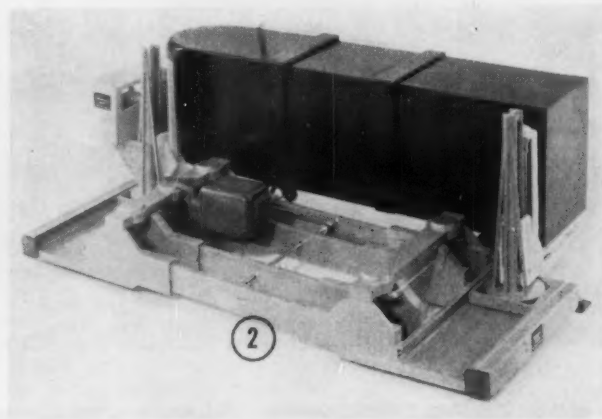
Since the barge line's "principal operation" would be the performance of conventional bargeload service, the question arose of whether public convenience and necessity required such service. The division concluded that Commercial had failed to establish such necessity, and the entire application was denied.

Air-Mail Experiment Will Start October 5

Postmaster General Summerfield said last week that the Post Office Department will get under way during the October 5 week with its plan for moving by air the three-cent, first-class mail between New York and Chicago and

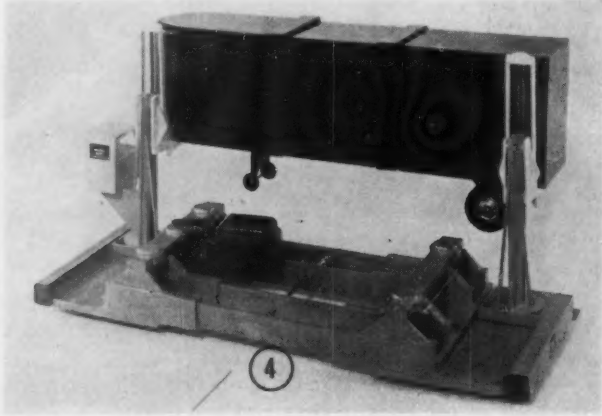
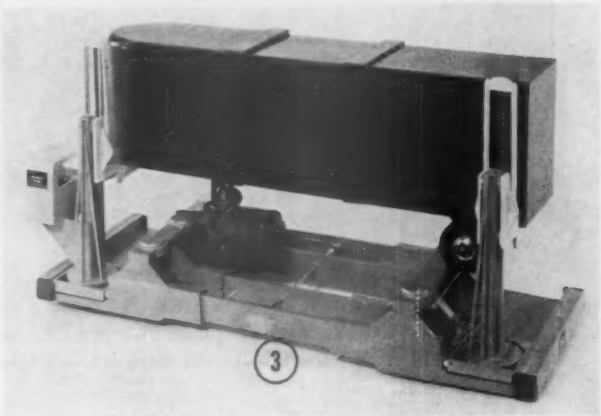


SIDE LOADING OF "PIGGY BACKS" can be made easier by this new "Trailoader" being introduced to the railroad industry by the Baker-Raulang Company. This large side-lift truck will be capable of picking up a fully loaded highway trailer weighing up to 50 tons, and can be automatically adjusted to accommodate any trailer from 25 to 36 ft. long. The self-powered unit is designed to pick up a loaded trailer, move it directly to train side, and place it upon a regulation flat car, or upon a depressed-center flat car. All functions are controlled from



the cab by a single operator. The "Trailoader" is described as a giant version of the side-loading "Traveloader" truck manufactured by the Lull division of Baker-Raulang.

The model pictured above shows (1) the unit retracted to its shortest length, with the forks at the lowest position; (2) the forks ready to engage a trailer body; (3) the trailer moved to the center for movement to train side; and (4) the trailer raised ready for placement on a flat car.



also between Washington and Chicago.

The Civil Aeronautics Board has approved the plan and authorized four air lines to participate in the "experiment." They are United; American; Trans-World; and Capital. (*Railway Age* September 21, page 15.)

Traffic

"L.C.L. Isn't Being Sold!" T-M-K Board Complains

Many railroads have set up programs to recapture l.c.l. traffic, but "few of their representatives highlight that effort by calls on industrial traffic men," F. W. Monahan, traffic manager of the Dow Chemical Company and chairman of the Trans-Missouri-Kansas Shippers Board's less-carload-freight committee, said at the board's 98th regular meeting in Tulsa, Okla., September 17.

Mr. Monahan urged that lines of T-M-K territory "develop an intensive effort to sell l.c.l. services, while continuing to seek ways to improve the service."

Speaking for railroads, W. L. O'Toole, general merchandise agent of the Frisco at St. Louis, urged shippers to make greater use of established through package cars. He also pointed out that district lines were handicapped in their effort to improve l.c.l. service through establishment of additional truck routes because of key point restrictions in their permits.

Chairman of the board's car efficiency committee, J. D. Vincent, supervisor of traffic, Granite City Steel Company, asked district lines to report consignees releasing dirty cars to the committee. He also suggested the lines continue their efforts to develop a workable system of reporting loads set out bad order en route.

Secret Weapon.—"If the war should come from the only possible source now on the horizon, we have a secret weapon that our potential enemies do not have," said Arthur H. Gass, chairman of the Car Service Division of the Association of American Railroads. No other industry he pointed out, has a forum where customers and sellers can get together and discuss problems in search of mutually satisfactory solutions.

Figures of the Week

Freight Car Loadings

Loadings of revenue freight in the week ended September 19 totaled 823,884 cars (highest to date for any 1953 week), the Association of American Railroads announced on September 24.

This was an increase of 113,330 cars, or 15.9 per cent, compared with the previous week, which included the Labor Day holiday; a decrease of 49,712 cars, or 5.7 per cent, compared with the corresponding week last year; and a decrease of 39,806 cars, or 4.6 per cent, compared with the equivalent 1951 week.

Loadings of revenue freight for the week ended September 12, which included the Labor Day holiday, totaled 710,554 cars; the summary for that week, compiled by the Car Service Division, A.A.R., follows:

REVENUE FREIGHT CAR LOADINGS			
For the week ended Saturday, September 12			
District	1953	1952	1951
Eastern	114,764	144,665	138,164
Allegheny	139,653	176,445	172,043
Poahantas	50,046	69,718	67,674
Southern	109,508	137,012	129,798
Northwestern ..	130,440	150,621	148,807
Central Western ..	111,281	136,897	131,216
Southwestern ..	54,862	65,933	63,110
Total Western Districts	296,583	353,451	343,133
Total All Roads	710,554	881,291	850,812
Commodities:			
Grain and grain products	44,278	48,083	53,381
Livestock	7,557	12,671	14,090
Coal	115,680	177,350	154,437
Coke	11,798	14,368	15,760
Forest products ..	39,304	48,861	48,569
Ore	90,895	96,461	85,770
Merchandise l.c.l. ..	59,434	74,546	75,454
Miscellaneous ..	341,608	408,951	403,351
September 12 ..	710,554	881,291	850,812
September 5 ..	799,079	746,882	732,769
August 29 ..	818,461	727,360	829,481
August 22 ..	817,431	834,229	838,587
August 15 ..	807,387	805,756	829,398

Cumulative total
37 weeks ... 27,424,446 26,282,235 28,615,434

In Canada.—Carloadings for the 10-day period ended August 31 totaled 107,517 cars, compared with 84,911 cars for the previous seven-day period, according to the Dominion Bureau of Statistics. Loadings for the seven-day period ended September 7, which included Labor Day, totaled 68,669 cars.

Totals for Canada:	Cars	
	Loaded	Recd. From Connections
August 31, 1953	107,517	46,937
August 31, 1952	109,979	50,471
September 7, 1953	68,669	27,703
September 7, 1952	73,758	31,315
Cumulative totals:		
September 7, 1953	2,716,463	1,130,375
September 7, 1952	2,796,740	1,181,872

People in the News

C. W. Braden Dies

Charles W. Braden, 63, general traffic manager of National Distillers Products Corporation and affiliated companies, died September 20, while addressing a meeting of the Monopoly States Commissioners in New York.

Mr. Braden who had been active in the transportation field all his business life, was a past president of the New York Traffic Club and of the National Industrial Traffic League. He was formerly chairman of the Users Panel of the Transportation Association of America's National Cooperative Project, and was



CHARLES H. GROSSMAN has taken office as director of the I.C.C.'s Bureau of Locomotive Inspection. He is serving under a "recess appointment" until next January, at which time Congress is slated to act on his permanent nomination. Mr. Grossman, 62, has been with the locomotive inspection bureau since 1918 (*Railway Age*, September 14, page 11).

still active with the T.A.A. at the time of his death. He was the author of several books on transportation, including "The Story of the Bill of Lading."



Charles W. Braden

and "The Story of the Historical Development of the Economic Regulation of Transportation."

Organizations

The New York Chapter, National Defense Transportation Association, will meet in the Keystone Room of the Hotel Statler at 7:45 p.m., October 2. Brig. Gen. Paul F. Yount, acting chief of transportation, Department of the Army, will discuss "Accent on Service—T.C. Looks Ahead."

The 13th annual Sonoma outing of the Pacific Railway Club will be

held at the Sonoma Mission Inn and Country Club, Boyes Springs, Cal., October 10.

The 65th annual dinner of the **Central Railway Club of Buffalo** (N.Y.) will be held on October 8, in the Stat-

ler Hotel, Buffalo. Speaker will be the Rev. M. C. Weisbach of the English Lutheran Church, Niagara Falls, Ont. A special train from New York to Buffalo, and return, will be operated by the New York Central, leaving Grand Central at 6:20 p.m., October 7.

installations of 271 units (268 diesel units and one gas turbine-electric and two steam locomotives).

Class I railroads had 409 new locomotive units on order September 1, including 380 diesel units and four steam, 10 electric and 15 gas turbine-electric locomotives, compared with 1,192 units on order on the same date last year, which included 1,165 diesel units and four gas turbine-electric and 23 steam locomotives.

Equipment & Supplies

August Gain Was 1,168 Cars

Reporting that net increase in ownership, Gass notes month's retirements were 863 cars less than "normal" 5,000

Class I railroads and their car-line affiliates placed 5,305 new freight cars in service in August and achieved a net gain in ownership of 1,168 cars.

The gain was even that high only because the month's retirements amounted to but 4,137 cars—863 less than the 5,000 per month that is considered "normal."

These figures were reported by Chairman Arthur H. Gass of the Car Service Division, A.A.R., in his latest review of the "National Transportation Situation."

Gain in Year—The September 1 figures reflected a net gain in ownership of 11,974 cars compared with September 1, 1952, the respective totals having been 1,852,597 and 1,840,623. Meanwhile the bad-order backlog was reduced by 11,209 cars, so the year's gain in serviceable ownership was 23,183 cars—from 1,732,401 to 1,755,584. "Gratifying," Mr. Gass said, was the fact that August installations included 2,276 gondolas. This was the best gondola month since September 1951. The C.S.D. chairman's review of equipment conditions by types of cars noted that supply of gondolas "has recently tightened and some small shortages have been reported."

Class I roads placed orders for 5,361 cars in August, the "greatest number for any month this year," Mr. Gass reported. He noted, however, that the total included "2,695 wood-rack cars to be rebuilt from retired equipment." The order backlog on September 1 amounted to 42,360 cars—up 56 cars from the August 1 figure.

In addition to the gondola situation, Mr. Gass reported that supply of special flats and covered hoppers was also tight. As to box cars, there have been some shortages of "high grade and special size" equipment.

Spring Wheat All Moved—Meanwhile, however, the spring wheat crop "has been successfully handled." Special Car Order No. 88, issued last April to expedite return of box cars to western roads, was cancelled September 10.

"This special order, together with the observance of Car Service Rules," Mr. Gass said, "made possible handling the wheat crop this year with virtually

no complaints from shippers because of the car supply. During June and July, there were fewer blocked elevators reported than during any June and July since 1943."

As to freight car detention, the C.S.D. chairman said the usual checks had indicated 17.03 per cent of cars placed in August were detained beyond the free time of 48 hours. That compared with July's 18.19 per cent, and 16.34 per cent in August 1952.

FREIGHT CARS

The **Monon** has ordered 150 50-ton hopper cars from the Pullman-Standard Car Manufacturing Company at an estimated cost of \$870,000. Delivery is expected during the first half of 1954. The road also has ordered from the same builder 30 3,000-cu. ft. covered hopper cars, each to be equipped with an air unloading system, for delivery in November.

The **New Haven** will begin immediate construction of 100 flat cars in its Readville, Mass., shops. These cars, like a previous lot of 100 flat cars (*Railway Age*, December 15, 1952, page 16), are to be used in the road's trailer-on-flat-car service.

LOCOMOTIVES

1,565 Locomotive Units Installed in Eight Months

Class I railroads installed 1,565 new locomotive units in the first eight months of 1953, compared with 2,188 new units in the comparable 1952 period, the Association of American Railroads has announced. Installations in the first eight months of the current year included 1,550 diesel units and 11 steam and four gas turbine-electric locomotives, while in the like period last year installations included 2,169 diesel units and 11 steam, two electric and six gas turbine-electric locomotives.

August 1953 installations totaled 156 units (153 diesel units and one steam and two gas turbine-electric locomotives), compared with August 1952

The **Northern Pacific** has ordered 30 locomotive units from the Electro-Motive Division of General Motors and the American Locomotive-General Electric Companies. From Electro-Motive, the NP has ordered ten 1,500-hp. road switchers, two 4-unit 6,000-hp. road freight locomotives and one 3-unit 4,500-hp. passenger locomotive. From Alco-G.E. will come four 1,600-hp. road switchers and five 1,000-hp. switchers. The switchers and road switchers will be delivered in December and the road locomotives during February and March. The NP's plan to purchase this equipment, at an estimated cost of \$4,548,000, was reported in *Railway Age*, August 31, page 21.

Supply Trade

G. W. Misner has been appointed executive assistant to **S. L. Poorman**, vice-president of sales, **Westinghouse Air Brake Company**. Mr. Misner has been head of the commercial engineering section at Wilmerding, Pa., since 1943, and will continue to supervise that department. **H. W. P. Wiss**, a representative in the western district, with office in Denver, has been promoted to assistant manager of that district, at Chicago. **C. J. Sekera**, mechanical expert, and **I. D. Ross**, service engineer, have been appointed representatives, with headquarters, respectively, in Denver and Chicago.

Roy C. Hobson, assistant to vice-president, sales, of **National Malleable & Steel Castings Company**, at Cleveland, has been promoted to assistant manager of the Chicago works. **Mark M. Miller**, sales manager at Indianapolis, has assumed Mr. Hobson's duties in Cleveland, and has been succeeded by **John H. Murphy**. **John A. Koehl** has been moved up to assistant sales manager at Indianapolis.

Arthur E. LeGare has been appointed sales engineer of **Orton Crane & Shovel Company** and will represent the company primarily in the railroad field. He was formerly sales engineer for **General Steel Castings Corporation**.

The **Mid-West Forging & Manufacturing Company** has appointed **Milton W. Allen & Son**, Denver, as

its representative in the Denver-Salt Lake City territory.

James W. Lacey, service engineer of the **Oxweld Railroad Service Company**, a division of **Union Carbide & Carbon Corp.**, has been promoted to district manager at Chicago, succeeding **William A. Hogan**, retired.

Michael J. Donovan, vice-president of the **Franklin Railway Supply Company**, has been appointed assistant vice-president—engineering of the **General Steel Castings Corporation** at Granite City, Ill.

OBITUARY

Roy Lee Morris, resident manager of the St. Louis office of the **General Railway Signal Company**, died September 17, after an automobile accident at Harlingen, Tex.



ROY F. JOHNSON, manager, sales and service engineering division, **Pullman-Standard Car Manufacturing Company**, who died September 6 of a heart attack while sailing on Lake Michigan near Michigan City, Ind.

Abandonments

Authorizations

NEW YORK CENTRAL.—To abandon a 9.6-mile segment of rail line, from Ravena, N. Y., to Unionville.

NORTHERN PACIFIC.—To abandon its bridge over the Chahalls river at Aberdeen, Wash., to avoid rehabilitation costs of \$297,748. The road will use as a substitute a nearby bridge owned by the Chicago, Milwaukee, St. Paul & Pacific and the Oregon-Washington Railroad & Navigation Co. (Union Pacific). An agreement covering this operation has been approved by the I.C.C.

OREGON SHORT LINE (UNION PACIFIC).—To abandon 2.3 miles of branch line at Syracuse, Utah. Division 4 said neither present nor prospective volume of traffic is sufficient to warrant retention of the line.

SOUTHERN PACIFIC.—To abandon a 6.2-mile branch line from Willows, Cal., to the end of the branch at Kurand. No traffic was offered for shipment over the line between December 12, 1952, and May 24, 1953, and only four carloads of freight moved over the line in all 1952.

STOCKTON TERMINAL & EASTERN.—To abandon the end portion of its main line, from Fine, Cal., to Bellota, 2.7 miles. Division 4 noted there has been no freight service over this segment in five years.

New Facilities

Atchison, Topeka & Santa Fe.—The passenger station and Harvey house at La Junta, Colo., will be dismantled and replaced by a new combination freight and passenger station. Wedding & Cochran, of Amarillo, Tex., will handle both phases of the project. At Albuquerque, N.M., the kitchen of the Alvarado Hotel (operated by Fred Harvey and physically a part of the station building) will be remodeled by the K. L. House Construction Company, of Albuquerque. The project includes rearrangement of some present equipment plus installation of additional new kitchen equipment. A reinforced concrete building will be built for the X-ray department of the Santa Fe Coast Lines Hospital Association property at 610 South St. Louis Street, Los Angeles, by Robert E. McKee General Contractor, Inc., also of Los Angeles.

Great Northern.—Will install its first centralized traffic control on a 63-mile main-line section between Delano, Minn., and Willmar. The control machine will be at Willmar. The project is expected to cost approximately \$700,000 and is expected to be completed by the end of 1954.

Financial

Investment Publications

[The surveys listed herein are for the most part prepared by financial houses for the information of their customers. Knowing that many such surveys contain valuable information, *Railway Age* lists them as a service to its readers, but assumes no responsibility for facts or opinions which they may contain bearing upon the attractiveness of specific securities.]

H. Hentz & Co., 60 Beaver st., New York 4.

Railroads Serving the South. Fortnightly Review, September 21.

Kerr & Co., 135 So. LaSalle st., Chicago 3.

Pennsylvania Railroad Company, September 14, No. 1139.

Smith, Barney & Co., 14 Wall st., New York 5.

New York Central Railroad Company. Railroad Bulletin No. 142, August 26.

Railroad Earnings. Railroad Bulletin No. 143, September 15.

Securities

Authorizations

MISSISSIPPI EXPORT RAILROAD.—To issue a \$40,000 unsecured promissory note to obtain funds for paying the balance on a 70-ton diesel

locomotive acquired last February from the General Electric Company for \$75,679. The new note will bear interest at 3 per cent and will be payable 21 months after date of issue.

UNION OF PITTSBURGH.—To issue \$5,000,000 in promissory notes to the United States Steel Corporation as evidence of funds advanced to the road to help pay for new equipment. The road is acquiring 1,975 70-ton gondola cars at an estimated cost of \$7,258,125 (*Railway Age*, August 31, page 23). The unsecured notes, with interest at 3½ per cent, will be payable in 20 semiannual installments.

Applications

BALTIMORE & OHIO.—To assume liability for \$1,500,000 of series FF equipment trust certificates, the third and final installment of a \$10,000,000 issue. Earlier installments were approved by the I.C.C. in December 1952 and February 1953. The present certificates would be used to help pay the cost of 11 new sleeping cars costing an estimated \$2,000,020. The cars, built by the Budd Company, are scheduled for delivery in March 1954. They are designated as type 16 duplex roomette, four double bedroom cars. The certificates would be dated December 1, 1952, and would mature in 15 annual installments of \$100,000 each, beginning December 1, 1953. They would be sold by competitive bidding.

CHICAGO, INDIANAPOLIS & LOUISVILLE.—To assume liability for \$900,000 of equipment trust certificates, to finance in part 180 freight cars costing an estimated \$1,140,000. The road will acquire 30 70-ton covered hopper cars and 150 50-ton open hopper cars from Pullman-Standard Car Manufacturing Company. The covered hoppers will cost \$9,000 each, and the open hoppers, \$5,800. The certificates, dated October 15, would mature in 15 annual installments of \$60,000 each, beginning October 15, 1954. Subject to I.C.C. approval, the certificates have been awarded to Blair, Rollins & Co., which submitted a bid of 99.744 with interest at 3¾ per cent.

Dividends Declared

BESSEMER & LAKE ERIE.—\$1.50 preferred, 75¢, semiannual, payable October 1 to holders of record September 15.

CHICAGO GREAT WESTERN.—5% preferred, \$1.15, accumulative, payable September 30 to holders of record September 26.

DAYTON & MICHIGAN.—87½¢, semiannual; 8% preferred, \$1, quarterly, both payable October 1 to holders of record September 15.

KALAMAZOO, ALLEGAN & GRAND RAPIDS.—\$2.95, semiannual, payable October 1 to holders of record September 15.

LAKE SUPERIOR & ISHPEMING.—35¢, quarterly, payable October 15 to holders of record October 1.

NORWICH & WORCESTER.—8% preferred, \$2, quarterly, payable October 1 to holders of record September 15.

PHILADELPHIA & TRENTON.—\$2.50, quarterly, payable October 10 to holders of record October 1.

PROVIDENCE & WORCESTER.—\$2.50, quarterly, payable October 1 to holders of record September 14.

TEXAS & PACIFIC.—\$1.25, quarterly, payable September 30 to holders of record September 25.

WHEELING & LAKE ERIE.—\$1.43¾, quarterly; 4% prior lien, \$1, quarterly, payable November 2 to holders of record October 16.

Security Price Averages

	Sept. 22	Prev. Week	Last Year
Average price of 20 representative railway stocks	58.07	57.43	63.62
Average price of 20 representative railway bonds	89.35	89.14	92.44

Railway Officers

EXECUTIVE

Charles L. Franklin, assistant vice-president—operations of the **Rock Island** at El Reno, Okla., retired September 15 and has been succeeded by **R. Ellis Johnson**, general manager at Des Moines, Iowa. Mr. Franklin began his railroad career in 1910 with

the Union Pacific. He went to the Rock Island in 1937 as trainmaster, and, after holding subsequent operating positions, became general manager in 1949 and assistant vice-president in



Charles L. Franklin

1952.

Mr. Johnson joined the Rock Island in 1936 as secretary to general manager. Subsequently, he served as superintendent and assistant general manager.

Clyde A. Pearson, personnel assistant of the GREAT NORTHERN, has been named assistant to president at St. Paul. Mr. Pearson began his railway career in 1918 as clerk for the



Clyde A. Pearson

Chicago, St. Paul, Minneapolis & Omaha. He joined the GN in 1943 as personnel assistant, and will continue his employee relations activities in his new capacity.

D. S. Thomson, vice-president of the Prairie region of the CANADIAN PACIFIC at Winnipeg, Man., has been appointed to the newly created position of vice-president operation and maintenance of the road. **G. N. Curley**, general manager of the Eastern region at Toronto, succeeds Mr. Thomson as vice-president of the Prairie region at Winnipeg.

OPERATING

W. A. Horn, trainmaster of the MILWAUKEE at Miles City, Mont., has been appointed assistant superintendent at that point. **Paul Bridenstine** has been transferred from Sioux City, Iowa, to succeed Mr. Horn, while **E. A. Duszak**, special assistant to general manager at Chicago, succeeds Mr. Bridenstine. **E. P. Snee**, trainmaster at Bensenville, Ill., has been named assistant superintendent of Chicago terminals there.

Jurisdiction of **H. H. DeBerry**, assistant general manager of the FRISCO at Springfield, Mo., has been enlarged to include both Eastern and Western districts.

George J. Mulick, assistant general manager of the ROCK ISLAND at Kansas City, has been promoted to general manager at Des Moines Iowa, succeeding **R. Ellis Johnson**, who has been named assistant vice-president—operations. Named as assistant general manager at El Reno, Okla., is **John H. Lloyd**, superintendent at Rock Island, Ill., who has been succeeded by **Joseph F. Orlomoski**, superintendent at Blue Island, Ill. Replacing Mr. Orlomoski is **George H. Voss**, assistant superintendent at El Reno, who in turn has been succeeded by **Benjamin A. Frederickson**, trainmaster at Kansas City, Kan. **Ralph C. Boelling**, terminal trainmaster at Herington, Kan., replaces Mr. Frederickson and **William H. Hogle**, trainmaster at Blue Island, has been named assistant superintendent of the Chicago division.

Mr. Mulick joined the Rock Island in 1948 as special representative in the operating department. He was named assistant general manager at Des Moines in 1951, later transferring to Kansas City.

Mr. Lloyd has been with the Rock Island since 1951, when he was named assistant superintendent. Later, he was named superintendent of the Cedar Rapids division.

Mr. Voss entered Rock Island service in 1929 as switchtender.

R. S. Burbank has been appointed terminal trainmaster, Dewitt yard, Syracuse division, NEW YORK CENTRAL.

TRAFFIC

John D. Lewis has been appointed general agent of the RUTLAND at Chicago.

The DULUTH, SOUTH SHORE & ATLANTIC has opened a new traffic office in the Stock Exchange building at Vancouver, B.C., with **Harry J. Glanville** as general agent.

H. M. Emerson has been appointed assistant general freight agent of the ATLANTIC COAST LINE at Wilmington, N.C., and **M. T. Ridaught** has been named assistant to general freight agent. **J. M. Bolen**, commercial agent, has

been appointed general agent, with headquarters as before at Albany, Ga. Mr. Emerson was formerly assistant to general freight agent and Mr. Ridaught was clerk in the freight traffic department at Wilmington.

Ferdinand G. Schoettler, division freight agent of the PENNSYLVANIA at Fort Wayne, Ind., has been granted a leave of absence and will retire on pension December 1.

PURCHASES & STORES

Lynn H. Faber, assistant storekeeper of the RICHMOND, FREDERICKSBURG & POTOMAC at Richmond, Va., has been appointed storekeeper, succeeding **Sydnor Harris**, who will retire at his own request on September 30, after 53 years of service. **Duront A. Walton**, assistant to storekeeper, succeeds Mr. Faber as assistant storekeeper, effective October 1.

John Maier, district storekeeper of the BURLINGTON at Aurora, Ill., has retired and has been succeeded by **W. R. Rieke**, chief lumber inspector at Chicago, who in turn has been replaced by **Florenz T. Hagemeier**, district storekeeper at Hannibal, Mo.

C. W. Craig has been appointed assistant general storekeeper of the UNION PACIFIC at Pocatello, Idaho.

SPECIAL

The RAILWAY EXPRESS AGENCY has announced the following appointments to newly created positions: **E. W. Hull**, director of advertising and promotion; **Oliver G. Swenson**, director of rates and tariffs; **Ernest L. Inwood**, director of business planning; **Richard A. Strickland**, director of public relations; **F. Dade Kelley**, director of sales; and **George E. Cole**, director of market and traffic research. Messrs. Hull and Swenson were formerly assistant vice-presidents of REA. Mr. Inwood has been in U. S. government service since 1942, his last position being chief of economic and research activities, Office of Budget, Department of State. Mr. Strickland was formerly vice-president of Gartley & Associates, Inc., public relations counsel. Mr. Kelley was sales manager of REA. Mr. Cole was director of research of the related consulting organizations, Opinion Research Corporation and Gallup & Robinson.

E. P. Ahern has been appointed assistant manager of personnel of the SOUTHERN PACIFIC at San Francisco.

OBITUARY

Scott M. Loftin, 75, trustee of the FLORIDA EAST COAST at Jacksonville, Fla., died of a heart attack on September 22 while on vacation in Highlands, N.C.

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SYMINGTON COMPOSITE ARTICULATED JOURNAL BOX LIDS

Symington Composite Articulated Journal Box Lids are light and sturdy, easily and quickly applied. Full articulation provides positive seal to protect journal and bearing against damage from rain, snow and dirt. Full pin-bearing area reduces wear in housing. Hinge lug wear also reduced by roller-bearing torsion spring.

WRITE FOR BULLETIN J-309

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Works: DEPEW, NEW YORK

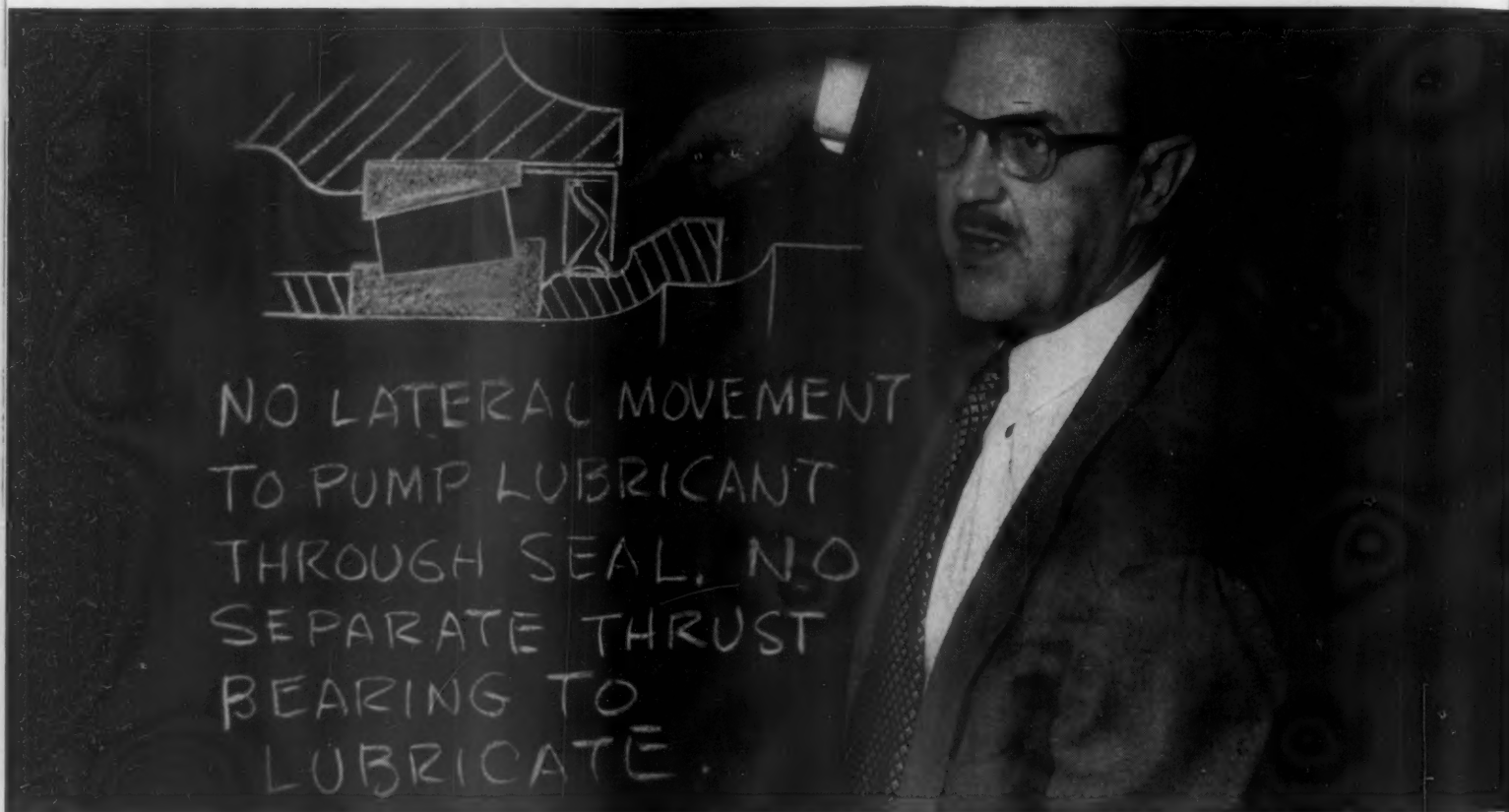
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A SPECIAL MESSAGE FOR

...FROM THE TIMKEN ROLLER BEARING COMPANY

This month Dr. Oscar Horger demonstrates that absence of lateral movement is one reason why:

The taper makes TIMKEN® the only journal bearing that delivers what you expect when you buy a roller bearing



RAILROADS invest in roller bearings to end the hot box problem and cut operating and maintenance costs to a minimum. Other advantages are less important. Timken is the *only* journal bearing you can count on to do both. For these two big reasons:

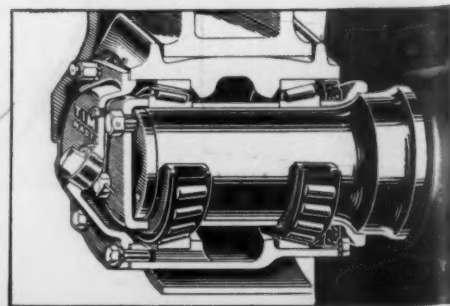
1) **No lateral movement within the bearing.** Incessant lateral movement of straight roller bearings scuffs rollers and races, shortens bearing life. It also pumps lubricant through the seal and out of the journal box, draws in dirt and water. And the auxiliary devices needed to take the thrust

loads of lateral movement aren't completely effective, are hard to lubricate with grease.

The taper in Timken bearings prevents lateral movement, enables them to take both thrust and radial loads. Always rolling the load, Timken bearings eliminate scoring, scuffing and pumping. They end the hot box problem. Less lubricant and maintenance are needed. Bearing life is increased.

2) **Positive roller alignment.** The taper holds roller ends snug against the rib, where wide area contact keeps rollers properly aligned. Rollers can't skew to upset full line contact or shorten bearing life.

When you switch to roller bearings to end hot boxes and cut costs, remember: Timken is the only journal bearing you can fully count on to end the hot box problem and cut operating and maintenance costs to a minimum—it's the taper! The Timken Roller Bearing Company, Canton 6, Ohio. Cable address: "TIMROSCO".



THE TAPER MAKES **TIMKEN** THE BEARING YOU TRUST

NOT JUST A BALL ○ NOT JUST A ROLLER □ THE TIMKEN TAPERED ROLLER □ BEARING TAKES RADIAL ○ AND THRUST —(●)— LOADS OR ANY COMBINATION ☼